



October 6, 2017

CIN: L74999MH1986PLC222681

To,

**BSE Limited,**  
Phiroze Jeejeebhoy Towers  
Dalal Street  
Mumbai- 400 001  
**Scrip Code – 517080**

**The National Stock Exchange of India Limited**  
Exchange Plaza,  
Plot No. C/1, Block – G  
Bandra Kurla Complex,  
Bandra – East  
Mumbai – 400 051  
**Symbol: HIGHGROUND**

Dear Sir / Madam,

**Sub: Annual Report for the Financial Year 2016-17**

Pursuant to Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we are submitting herewith the Annual Report of the Company for the Financial Year 2016-17 approved and adopted by the members as per provisions of the Companies Act, 2013 and SEBI (LODR) Regulations 2015, at the 32<sup>nd</sup> Annual General Meeting of the Company held on Tuesday, September 26, 2017 at 4 p.m. at 'SVENSKA' Design Hotels, Kaza Banquets, SAB TV Road, Off Link Road, Andheri – West, Mumbai – 400 053.

The above is also uploaded on the Company's website viz. [www.highgroundenterprise.com](http://www.highgroundenterprise.com) and the portal of the stock exchange, where the securities of the Company are listed.

Thanking You,

Yours Faithfully

**For High Ground Enterprise Limited**

  
**Chintan Kapadia**  
Whole time Director  
Din: 01639589



MIGHTY THINGS GROW FROM SMALL BEGINNINGS



**ANNUAL REPORT  
2016-17**





CRAFTING OPPORTUNITIES...  
DELIVERING GROWTH

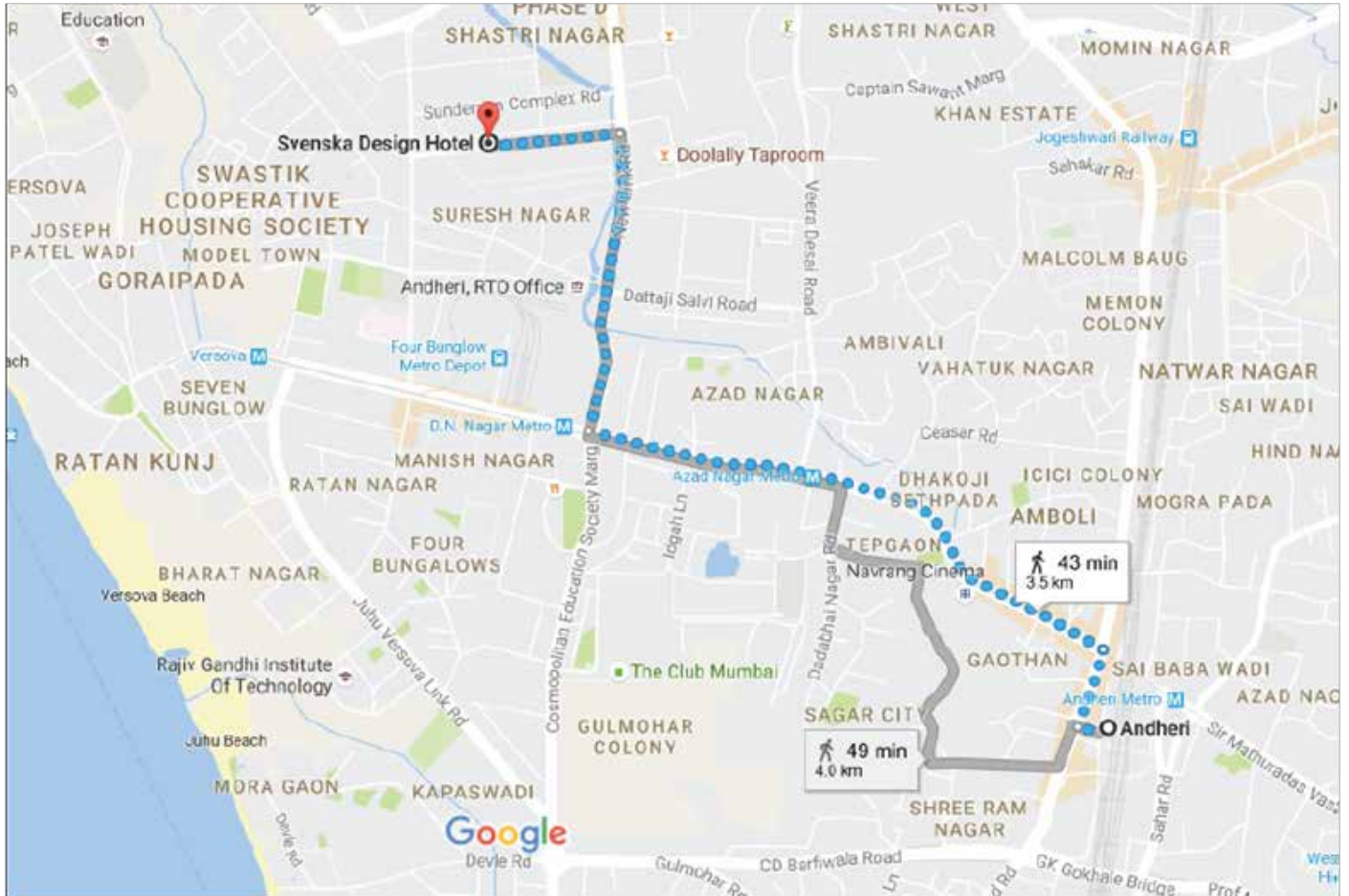






## Route map for the AGM Venue

**Venue:** 'SVENSKA' Design Hotels, Kaza Banquets, SAB TV Road, Off Link Road, Andheri – West, Mumbai – 400 053



### **Declaration With Regards To Audited Financial Results**

In Compliance of SEBI (LODR) (Amendments) Regulations, 2016 this is to declare that with regard to the Annual Standalone Audited Financials Results of the Company for the Financial Year ended March 31, 2017, adopted by the Board of Directors of the Company at their meeting held on May 30, 2017, the Statutory Auditors Report, on the same is, unmodified.

<b>For and on behalf of the Board of Directors of High Ground Enterprise Limited</b>			<b>For Jain Chowdhary &amp; Co. Chartered Accountant</b>
Sd/-	Sd/-	Sd/-	Sd/-
Sandeep R. Arora Managing Director DIN: 02587811	Chintan Kapadia Whole time Director DIN: 01639589	Sonia Khenduja Chairman of Audit Committee DIN:06985629	Mr. Siddharth Jain FRN:113267W Mem No:104709

**Date:** May 30, 2017

**Place:** Mumbai

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# HIGH GROUND ENTERPRISE LIMITED

## Board of Directors

### **Sandeep R. Arora**

Chairman and Managing Director

### **Chintan Kapadia**

Whole Time Director

### **Arunkumar Tyagi**

Whole Time Director

### **Anupam Kumar**

Non-Executive Independent Director

### **Sonia Khenduja**

Non-Executive Independent Director

### **Sudhir Yashwantrao**

Non-Executive Independent Director

### **Mataprasad Sharma**

Non-Executive Independent Director

### **#Ajit Sharma**

Non-Executive Independent Director

#resigned w.e.f August 17, 2016

### **\*Paul Taylor**

Non-Executive Independent Director

\*resigned w.e.f. June 9, 2017

## **Chief Financial Officer**

Chintan Kapadia

## **Company Secretary & Compliance Officer**

Unnati A. Amodwala

## **Statutory Auditor**

M/s. Jain Chowdhary & Co

Chartered Accountants, Mumbai

## **Secretarial Auditor**

Amit R. Dadheech & Associates

Company Secretaries, Mumbai

## **Bankers of the Company**

Bank of Baroda

Karnataka Bank Ltd.

Axis Bank Ltd

## **Registered Office**

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

Tel no. 022-42229700 • Fax No.: 022-42229710

CIN No.: L74999MH1986PLC222681

Email Id: info@highgroundenterprise.com

Web: www.highgroundenterprise.com

## **Registrar & Share Transfer Agent**

RCMC Share Registry Pvt. Ltd.

B-25/1, First Floor, Okhla Industrial Estate,  
Phase - II,

New Delhi – 110020

Tel no.: 011 – 26387320 / 21 / 23,

Fax no.: 011 - 26387322

E-mail id- shares@rcmcdelhi.com

## **BOARD COMMITTEES**

### **Audit Committee**

Sonia Khenduja - Chairman

Mataprasad Sharma - Member

Sandeep R. Arora - Member

### **Nomination & Remuneration Committee**

Sudhir Yashwantrao - Chairman

Mataprasad Sharma - Member

Sonia Khenduja - Member

### **Stakeholder Relationship Committee**

Mataprasad Sharma - Chairman

Sudhir Yashwantrao - Member

Sonia Khenduja - Member

### **Corporate Social Responsibility Committee**

Sandeep R. Arora - Chairman

Chintan Kapadia - Member

Sonia Khenduja - Member

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# CHAIRMAN'S STATEMENT

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## FROM THE DESK OF THE CHAIRMAN...

### Dear Shareholders,

I am delighted to share with you the events, developments and achievements of your Company during course of financial year 2016-17. The overall performance of your Company has witnessed a growth in work orders resulting in overall revenues increasing by 20% in comparison with previous year. We have continued to do well in our core businesses and have alongside paved path for new ventures. The year has witnessed the sustained healthy growth and High Ground Enterprise continues to create value for all its stakeholders.

The Indian economy across the last year, has demonstrated a high order of resilience and remains an island of stability amidst global volatility. Meanwhile, setting its sights on the future, the Government has initiated several structural reforms whose positive outcomes should be tangible in long term growth.

The global scenario is being colored by protectionist policies in various hues adopted by a few developed countries. While such populist measures tend to impede trade and discourage revival of the investment cycle, it is up to international industry to address these challenges by reconfiguring its offerings and recasting its operations. In the Middle East, relatively low oil prices and consequent fiscal pressure has led to contraction of developmental spends.

Last year witnessed interesting developments across the global economy. After a long spell of stagnation and de-growth, green shoots of economic upswing are appearing for the world economy. According to the International Monetary Fund, global economic activity led by emerging markets and developing economies should pick up pace in FY 2017 and FY 2018. Asian economies led by India are picking up speed as policy and consumption led tailwinds have given businesses a positive fillip. Indeed, India with a 7.1% growth rate in FY 2016-17 along with China's growth rate of 6.7% for 2016 and promising to continue the trend into FY

2017-18 will remain the epicenter of action. In India, a fundamental premise of optimism stemmed from its strong socio-economic reforms that were peppered with events that will reset our country's economic direction in a transformational manner. This milieu enabled us to deliver yet another year of sustainable yet profitable growth.

The Government's increased emphasis on infrastructure development through many flagship programs has been widely welcomed. Infrastructure spends have a multiplier effect, enabling pan-industry growth, while contributing to an enhanced quality of life. Your Company is uniquely positioned to respond to these initiatives of the Government. So far our capabilities in turnkey execution of small to medium scale infrastructure projects are virtually unmatched, but now with our enhanced positioning we even look forward to the speedy transition of these publicly announced large proposals into implementation mode.

In the year gone by we have taken significant steps to strengthen our businesses and are committed to continue investing in them for the future. The reforms in the Government policies have fashioned a transparent environment for doing business in India resulting in better governance. Your Company believes in following the best governance and transparency in its business operations.

The recent changes in the government reforms have opened several opportunities for Engineering Procurement and Construction Management (EPCM) entities, like your Company, across various sectors viz, Oil and Gas, Water Resources, Road development, Solar Power, Telecom, PMC and Man power consultancy, Outdoor Play - Installation of Multiactivity system, open gyms & outdoor activities for Various Municipal Gardens, Solid waste management and Consultancy. The Company has been currently working on expanding and diversifying its offerings to capitalize on opportunities thrown open by such government initiatives.

Your company is engaged in consulting, project management and EPC (Engineering Procurement & Construction) in the infrastructure space, and has built a strong portfolio of projects in a very short span of time. Your company has grown at over 100 percent in the last three years. The Company has executed an order book of more than Rs. 10,000 lakhs in its first quarter and is in process of implementing an order book of over Rs. 32,500 lakhs.

From last four years your company is involved in Third Party Certification (TPC) audits and have completed TPC audit for over 40,000 retail outlets (Petrol Pumps) of IOCL, in over 1,000 cities and towns in past three years, located on all National Highways, State Highways and Major District Roads. This seems to have created a new benchmark in the industry. During the year under review, not only has your company bagged another contract from IOCL to carry out inspection of its 7,294 petrol pumps but also bagged a contract from Hindustan Petroleum Corporation Limited (HPCL) for carrying out audits of SOP plus Club HP (or Club HP Star) integrated petrol pumps. These audits will be carried out initially only for SOP & Non Club HP retail outlets of HPCL. This audit process will be carried out in a span of 2 (two) years covering about 43,000 petrol pumps across the nation, which forms the core of the Company's EPCM division. During the year, the Company has also successfully executed EPCM contracts for other clients like Axis Rail India, Sun Power, Arihant Industries Corporation, Gateway Distriparks, Shapoorji Palanji, Larsen & Toubro, Neev Infrastructure, Inox Wind Infrastructure Services Limited. Further in pipeline are projects with ShapoorjiPalanji Ltd., Vadinar Oil Terminal Limited, Essar Bulk Terminal, Prakash Constrowell Limited, Incor Central Park Projects Ltd, J. Kumar and others.

The revenue from EPCM business segment of the Company increased from Rs. 19,339.52 lacs in the financial year 2015-16 to Rs. 25,865.02 lacs in for the financial year 2016-17 registering an year-on-year (YoY) growth of over 33.74%. With new opportunities opening in this sector and the expansion activities undertaken by your Company, the EPCM division of the Company will continue to be a major growth driver for the company going ahead.

### **Media and Allied Activities (M&A):**

The media sector business is very close to my heart as after graduating from Delhi university, my father's textile business didn't excited me and my first entrepreneurial move was in this sector only, starting from a small production company engaged in corporate films, advertising & editorial shoots, TV programming & content development, etc. in India, to gradually working overseas with some prestigious clients and projects in UK and US. In 2005/06 The business flourished on a large scale as the UK government encouraged investment in media and entertainment. In a span of 3-4 years by 2008/09 we had established a reasonably big set-up in the media hub of Central London.

The Indian Media and Entertainment (M&E) industry which saw a temporary slash down after 2010 not only in India but globally has witnessed major corrections in the recent years and is now a shining sector for the economy, making high growth strides. Proving its resilience to the world, the Indian M&E industry is on the cusp of a strong phase of growth, backed by rising consumer demand and improving advertising revenues. The dynamics of the sector has majorly changed with changing technology and consumption mediums. Lifestyles have evolved, Audiences are consuming content very differently. Tabs, phabs and touch screens have shrunk the silver screen. And the attention span is dropping fast. In the middle of such odds and ends, we are not far away to see internet becoming the leading mainstream media for entertainment for the people.

Your Company has a full-fledged digital post-production/technical media facility studio in India, to cater to its domestic and export market. This facility is located in Mumbai and is flourishing now with some award winning projects under its belt like 'A Billion colour story', Ralang Road, commercial campaigns for Chings (Ranveer Singh), Raffles (Singapore), Charlie kay Chakkar Mein, The Head Hunter, 'Beti Padhao Beti Bachao' campaign. With this newly established facility your Company has consolidated its offerings for the Domestic and International Markets. Alongside this, your Company continues its operations in this sector by providing services to overseas/export clients, via sublet mechanism, through strategic partners.

Your Company is spearheading well in the media sector, not only integrating media space for prints and Outdoors; but also integrating content and executing events, line production and post production work for our advertising clients and corporates like Reliance, Nippon Life Asset Ltd, Bajaj Allianz Life Insurance Co Ltd, Bharti Axa Life Insurance Co. Ltd, Indofill Industries Ltd, PNB Housing and EROS along others.

Our Media division has reported a 3 year CAGR of ~39%, despite witnessing a consolidation phase in FY15. The media division contributes ~15% to our overall turnover, down from +50% a couple of years back, primarily because the fast pace at which our EPCM division has grown at. That said, we have taken a lot of steps in the last 12-15 months to invigorate the growth in this division which should start paying dividends from this year onwards. We have progressed ahead with our recent but synergistic Tie-ups and take-overs, in the previous years - Sunflower Advertising, a 20 year old INS accredited full service ad agency, and 361 Degree Entertainment (into the business of media management, Research, Film marketing, IPR and Content syndication) will help strengthen our bargaining power in the media buying and enable the company to enjoy better credit periods and incentives, impacting us positively. Likewise setting up our own post production studio in Colourbar Pvt Ltd (wholly owned subsidiary) and taking substantial stake in the talent management & event company (MAGNIFIQUE - Chitra Talent management Pvt Ltd) has helped us immensely. Further we are taking a substantial stake now in Picture Thoughts Production Pvt Ltd., Picture Thoughts is a niche content production company focused on developing and delivering specific commissioned content in various formats like features, shorts, web series, advertisements, advertorials, news/infotainment capsules, musicals, educational, corporate, etc. for its niche clientele and valued audience. These strategic tie-ups and takeovers not only have given us a bargaining edge by complimenting the services of each other but also cumulatively makes a larger bouquet with larger scope for growth.

The revenue from the media and allied business segment of the Company stands at Rs. 4,887.86 lakhs for the financial year 2016-17 as compared to Rs. 5,463.27 lakhs for the financial year 2015-16.

The operating profits earned by the Company, from this business segment, stands at Rs. 417.40 lakhs for the financial year 2016-17 as compared to Rs. 315.61 lacs for the financial year 2015-16.

In view of the profits earned by the Company in both these segments, it gives me great pleasure to inform you that the Board of Directors of the Company has recommended a final dividend of Re. 0.10 per equity share on a face value of Re. 1 per share for the year. (i.e. 10% on the face value of shares)

In the years ahead, I hope that the steps taken by the Management of the Company will fructify in making the Company a leading player in the EPCM as well as the Allied media sector.

**“Crafting Opportunities – Delivering Growth”  
our inspirational tagline continues to define the  
company’s motto.**

To conclude, we have had a reasonably good year. The Company has received listing and trading approval for its entire securities from the esteemed National Stock Exchange of India Limited (NSEIL) on November 24, 2016. We remain encouraged and confident of achieving our long-term objectives of inclusive, sustainable and profitable growth. I am confident that our disciplined strategy, prudent approach, focus on agile execution and our committed team will enable us to improve performance further and create greater shareholder value.

I would like to take this opportunity to thank all our employees for their contribution in the continued success of High Ground Enterprise. I would also like to extend my gratitude towards our business partners, associates, vendors and the Central, State governments and government agencies for their sustained support. I would also like to express my sincere appreciation to all our shareholders for your continued faith, trust, encouragement and support.

Your support is the foundation on which this Company will scale new heights.

**Warm regards,**

**Sandeep R Arora**  
**Chairman and Managing Director**  
**DIN:02587811**



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# **FINANCIAL HIGHLIGHTS**

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## HIGH GROUND ENTERPRISE LIMITED - FINANCIAL HIGHLIGHTS

(Rs. In Lacs)

<b>Financial Highlights – Standalone</b>	<b>2016-17</b>	<b>2015-16</b>	<b>2014-15</b>	<b>2013-14</b>	<b>2012-13</b>
Total Income	30764.46	25,672.99	15,455.58	7,715.38	2,788.37
Profit before Finance Costs, Depreciation and Amortization and Tax	2516.21	2613.64	1,592.32	684.49	373.70
Depreciation and Amortization expense	115.38	132.63	95.00	1.34	0.66
Finance Costs (net)	483.63	320.56	220.88	87.57	35.60
Net Profit after Tax	1251.61	1,412.50	842.58	404.74	266.26

(Rs. In Lacs)

	<b>2016-17</b>	<b>2015-16</b>	<b>2014-15</b>	<b>2013-14</b>	<b>2012-13</b>
Revenue From Operations	30752.88	24,802.79	15,394.25	7,635.62	2,750.84
Total Income	30764.46	25,672.99	15,455.58	7,715.38	2,788.37
Earnings Before Depreciation, Finance Cost and Tax Expenses (EBDIT)	2516.21	2,613.64	1,592.32	684.49	373.70
Depreciation and Amortization	115.38	132.63	95.00	1.34	0.66
Exceptional Items	-	-	-	-	64.25
Profit For the Year	1251.61	1,412.50	842.58	404.74	266.26
Equity Dividend %	10	10	10	7	5
Dividend Payout	104.65	125.96	121.64	70.41	32.16
Equity Share Capital	1046.51	1,046.51	940.83	549.70	549.70
Equity Share Suspense Account	-	-	-	-	-
Equity Share Warrants	-	-	772.61	2,816.60	-
Reserves and Surplus	9216.56	8,248.50	4,524.73	745.20	340.46
Net Worth	10367.72	9,295.01	6,238.16	4,111.50	890.16
Gross Fixed Assets	659.98	776.05	783.78	217.62	4.84
Net Fixed Assets	544.60	643.42	688.78	216.28	4.18
Total Assets	25,262.62	24,822.99	15,924.36	7,598.87	3,167.33
Market Capitalization	34,074.32	585.76	202.22	41.77	8.19
Number of Employees	85	85	70	65	40

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# NOTICE TO SHAREHOLDERS

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## NOTICE

**NOTICE** is hereby given that the 32<sup>nd</sup> Annual General Meeting of the Members of **HIGH GROUND ENTERPRISE LIMITED** will be held on Tuesday, September 26, 2017 at 4.00 p.m. at 'SVENSKA' Design Hotels, Kaza Banquets, SAB TV Road, Off Link Road, Andheri – West, Mumbai – 400 053 to transact the following business:-

<b>ORDINARY BUSINESS:</b>
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1. To consider and adopt the Audited Balance Sheet, Profit & Loss Account and Cash Flow Statement for the year ended March 31, 2017, 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 declare final dividend for the financial year ended March 31, 2017.
3. To appoint a Director in place of Mr. Arunkumar Tyagi (DIN No. 05195956), who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint M/s. Jain Chowdhary & Co., (Firm Registration No. 113267W), Chartered Accountants,

**“RESOLVED THAT** pursuant to the provisions of Section 139, 141, 142 and other applicable provision if any of the Companies Act, 2013, and the Rules framed thereunder, as amended from time to time, the appointment of M/s. Jain Chowdhary & Co., Chartered Accountants (Firm's Registration No. 113267W), as Statutory Auditors of the Company as to hold office from conclusion of this Annual General meeting until the conclusion of the next Annual General Meeting of the Company subject to annual ratification by the shareholders at every Annual General Meeting and to authorize the Board of Directors or Committee thereof to fix their remuneration, in consultation with the Auditors and upon recommendation of the Audit Committee”.

Date: September 2, 2017  
Place: Mumbai

**Regd. Office:**  
Office No. 2, Om Heera Panna Mall,  
2<sup>nd</sup> Floor, Oshiwara,  
Andheri (West) Mumbai- 400053

**By Order of the Board  
For High Ground Enterprise Limited**

**Sd/-  
Sandeep R. Arora  
Chairman & Managing Director  
(DIN: 02587811)**

**Notes:**

1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend the meeting and the proxy need not be a member of the Company. Under the Companies Act, 2013, voting is by an electronic means unless a poll is demanded by a member or members present in person, or by proxy, holding at least one-tenth of the total shares entitled to vote on the resolution or by those holding paid-up capital of at least Rs. 500,000. A proxy shall not vote except on a poll. The instrument appointing the proxy must be deposited at the registered office of the Company not less than 48 hours before the commencement of the meeting.
2. The Register of Members and Share Transfer Books of the Company will remain closed from September 20, 2017 to September 26, 2017 (both days inclusive) for the purpose of this Annual General Meeting.
3. Members who attend the Meeting are requested to complete the enclosed attendance slip and deliver the same at the entrance of the Meeting Hall.
4. Members are requested to bring their copy of the Annual Report at the time of attending the Annual General Meeting.
5. To prevent fraudulent transactions, members are advised to exercise due diligence and notify the Company of any change in address or demise of any member as soon as possible. Members are also advised not to leave their demat account(s) dormant for long. Periodic statement of holdings should be obtained from the concerned Depository Participant and holdings should be verified.
6. Members who are holding shares in identical order of names in more than one folio are requested to send to the Company's Registrar and Transfer Agent, M/s. RCMC Share Registry Private Ltd details of such folio together with the share certificates for consolidating their holding in one folio. The share certificates will be returned to the Member/s. after making requisite changes thereon.
7. 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.
8.
  - a Members holding shares in physical form are requested to advise immediately change in their address, if any, quoting their folio number(s) to the Registrar & Share Transfer Agent of the Company.
  - b Members holding shares in the electronic form are requested to advise immediately change in their address, if any, quoting their Client ID number, to their respective Depository Participants.
9. 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.
10. Members desirous of getting any information in respect of accounts of the Company and proposed resolutions, are requested to send their queries in writing to the Company at its registered office at least 7 days before the date of the meeting, so that the required information can be made available at the meeting.
11. 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.
12. 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 High Ground Enterprise Limited can submit their PAN details to the Company/Registrar & Share Transfer Agent i.e. M/s. RCMC Share Registry Pvt. Ltd.
13. Members may also note that the Notice of the 32<sup>nd</sup> Annual General Meeting and the Annual Report for 2017 will also be available on the Company's website [www.highgroundenterprise.com](http://www.highgroundenterprise.com) for their download. The physical copies of the aforesaid documents will also be available at the Company's Registered Office in Mumbai for inspection during normal business hours on working days. Even after



registering for e-communication, members are entitled to receive such communication in physical form, upon making a request for the same, by post free of cost. For any communication, the shareholders may also send requests to the Company's investor email id: [info@highgroundenterprise.com](mailto:info@highgroundenterprise.com)

#### 14. Voting through electronic means

- I. In compliance with provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company is pleased to provide members facility to exercise their right to vote at the 32<sup>nd</sup> Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services provided by Central Depository Services Limited (CDSL):

##### In case of members receiving e-mail:

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

##### For Members holding shares in Demat Form and Physical Form

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

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

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

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

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

viii. After entering these details appropriately, click on "SUBMIT" tab.

ix. Members holding shares in physical form will then reach directly the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

x For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.

xi. Click on the EVSN for the relevant High Ground Enterprise Limited on which you choose to vote.

xii. On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.

xiii. Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.

xiv. After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be

displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.

- xv. Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- xvi. You can also take out print of the voting done by you by clicking on “Click here to print” option on the Voting page.
- xvii. If Demat account holder has forgotten the changed password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
  - a. Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to <https://www.evotingindia.co.in> and register themselves as Corporates.
  - b. They should submit a scanned copy of the Registration Form bearing the stamp and sign of the entity to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
  - c. After receiving the login details they have to create a user who would be able to link the account(s) which they wish to vote on.
  - d. The list of accounts should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
  - e. They should upload a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, in PDF format in the system for the scrutinizer to verify the same.

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

- A. Please follow all steps from sl. no. (i) to sl. no. (xvii) above to cast vote.
- B. The voting period begins on September 23, 2017 from 9.00 a.m. and ends on September 25, 2017 at 5.00. p.m. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of September 19, 2017, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- C. In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at [www.evotingindia.co.in](http://www.evotingindia.co.in) under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com)

Date: September 2, 2017  
Place: Mumbai

**Regd. Office:**  
Office No. 2, Om Heera Panna Mall,  
2<sup>nd</sup> Floor, Oshiwara,  
Andheri (West) Mumbai- 400053

**By Order of the Board  
For High Ground Enterprise Limited**

**Sd/-  
Sandeep R. Arora  
Chairman & Managing Director  
(DIN: 02587811)**

Brief Resume of Directors/persons seeking appointment/ re-appointment at this Annual General Meeting in pursuance of regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements), 2015.

Name of the Director	Arunkumar Tyagi
DIN	05195956
Date of Birth	27/09/1975
Date of Appointment	24/12/2015
Qualification	Alumni of MICA and Graduate in Science from Meerut University
Expertise in specific functional area	He has more than 18 years of experience in Media - Sales, Marketing, Planning and Buying. One of the very few Media professional, who have seem all the three sides of Media viz Media Sales, Planning & Buying & Corporate Client.
List of Public Companies in which outside Directorship held (including Foreign Companies)	Nil
Chairman/Member of the Committee of Board of Directors of Public Companies	Nil
No. of Shares Owned: a. Own b. For other persons on a beneficial basis	Nil

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# **DIRECTOR'S REPORT**

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## DIRECTOR'S REPORT

To,  
The Members,

Your Directors have pleasure in presenting the 32<sup>nd</sup> Annual Report on the business and operations of the Company, together with the audited financial statements for the financial year ended March 31, 2017.

### HIGHLIGHTS OF FINANCIAL RESULTS

The Company's financial performance, for the year ended March 31, 2017 is summarized below:

Particulars	Year ended March 31, 2017 (Rs. In Lacs)		Year ended March 31, 2016 (Rs. In Lacs)	
	Consolidated	Standalone	Consolidated	Standalone
<b>Net Revenue from operations:</b>				
Engineering Procurement Construction Management (EPCM)	27,275.07	25,865.02	19,339.52	19,339.52
Media, Consulting and allied services	4,972.53	4,887.86	5,487.68	5,463.27
<b>Total Revenue from operations</b>	<b>32,247.60</b>	<b>30,752.88</b>	<b>24,827.20</b>	<b>24,802.79</b>
<b>Other Income</b>	<b>11.72</b>	<b>11.58</b>	<b>870.20</b>	<b>870.20</b>
<b>Total expense other than Finance Cost, Depreciation and amortization</b>	<b>29,871.71</b>	<b>28,248.27</b>	<b>23,085.03</b>	<b>23,059.35</b>
Earnings before <b>Finance Cost, Depreciation, amortization</b> and tax (EBIDTA)	2,387.62	2,516.21	2,612.37	2,613.64
Depreciation & amortization	116.10	115.38	132.90	132.63
<b>Earnings before Finance Cost and Tax</b>	<b>2,271.52</b>	<b>2,400.83</b>	<b>2,479.47</b>	<b>2,481.01</b>
Finance costs (net)	483.89	483.63	320.63	320.56
<b>Profit before tax (PBT)</b>	<b>1,787.63</b>	<b>1,917.20</b>	<b>2,158.84</b>	<b>2,160.45</b>
Tax expenses	667.03	665.59	748.28	747.95
<b>Profit after tax (PAT)</b>	<b>1,120.60</b>	<b>1,251.61</b>	<b>1,410.56</b>	<b>1,412.50</b>
Basic earnings per share (₹)	0.98	1.09	1.35	1.35
Diluted earnings per share	0.98	1.09	1.38	1.38

### DIVIDEND

The Board of Directors of the Company at their meeting held on May 30, 2017 have recommended a dividend of Re. 0.10/- (Ten Paise) per equity share of Re. 1/- (i.e.10% on the face value of the shares) as final dividend for the financial year 2016-17.

The dividend will be paid to members whose names appear in the Register of Members as on September 20, 2017 and in respect of shares held in dematerialized form, it will be paid to members whose names are furnished by National Securities Depository Limited and Central Depository Services (India) Limited, as beneficial owners as on that date.

### CORPORATE GOVERNANCE

The Company has vigorously taken steps to follow the best corporate governance practices aimed at building



trust among the key stakeholders, shareholders, employees, customers, suppliers and other stakeholders on four key elements of corporate governance - transparency, fairness, disclosure and accountability and the Certificate from Practicing Company Secretary forms a part of this Report.

## **OPERATIONS AND BUSINESS PERFORMANCE:**

### **Turnover**

During the year ended March 31, 2017 the Company's total revenue is **Rs. 30,764.46 Lacs** as against **Rs. 25,672.99 lacs** in the previous period.

### **Analysis of Income from Operations**

During the year under review, income from Engineering Procurement and Construction Management was **Rs. 25,865.02 Lacs** as compared to **Rs19,339.52 Lacs** during the previous year. During the year under review, income from Media consulting and allied services was **Rs. 4,887.86 Lacs** as compared to **Rs 5,463.27 Lacs** during the previous year.

Financial Year	Sales / Turnover (Rs. in Lakhs)	Percentage of Total Turnover (%)	
		EPCM	Media & Entertainment
2015-16	25,672.99	75.33	21.28
2016-17	30,764.46	84.07	15.89

### **Other Income**

Other income for the year is **Rs. 11.58 Lacs** against **Rs. 870.20 Lacs** in the previous year. As was the case last year, for the year under review, Income from foreign exchange fluctuations and interest income are major contributors to other income of the Company.

### **Other expenses**

During the year, other expenses were **Rs. 764.81 Lacs** as against **Rs. 1,368.79 Lacs** in the previous period.

## **DIRECTORS**

Pursuant to sections 149, 152 and other applicable provisions, if any, of the Companies Act, 2013, one-third of such of the Directors are liable to retire by rotation and shall retire every year and, if eligible, offer themselves for re-appointment at every AGM. Consequently, Mr. Arunkumar Tyagi (DIN: 05195956), Director will retire by rotation at the ensuing AGM, and being eligible, offer himself for re-appointment in accordance with the provisions of the Companies Act, 2013.

Further during the year under review following directors of the Company have resigned from the Directorship of the Company:

Sr. No.	Name of the Director	Date of Resignation
1.	Mr. Ajit Sharma	August 17, 2016
2.	Mr. Paul Taylor	June 9, 2017

The Board places on record its appreciation to the resigned directors, for their valuable guidance provided during their tenure as Director of the Company.

## **DECLARATION BY INDEPENDENT DIRECTORS: {SECTION 134 (3)(D)}**

The Independent Directors of the Company are not associated with the Company in any manner as stipulated

under section 149(6) of Companies Act, 2013 and at same time possess relevant expertise and experience that are additive to the Board of the Company for delivering higher growth and higher value.

The brief resume of the Directors being appointed/ reappointed, the nature of their expertise in specific functional areas, names of companies in which they have held Directorships, Committee Memberships/ Chairmanships, their shareholding etc., are furnished in the explanatory statement to the notice of the ensuing AGM.

The Directors recommend their appointment/re-appointment at the ensuing AGM.

Pursuant to the provisions under Section 134(3)(d) of the Companies Act, 2013, with respect to statement on declaration given by Independent Directors under Section 149(6) of the Act, the Board hereby confirms that all the Independent Directors of the Company have given a declaration and have confirmed that they meet the criteria of independence as provided in the said Section 149(6).

### **KEY MANAGERIAL PERSONNEL**

The Key Managerial Personnel (KMP) in the Company as per Section 2(51) and 203 of the Companies Act, 2013 are as follows:

Sandeep Ramkrishna Arora	Chairman & Managing Director
Chintan Kapadia	Whole time Director & Chief Financial Officer
Arunkumar Tyagi	Whole - Time Director
Unnati A. Amodwala	Company Secretary & Compliance Officer

### **PARTICULARS OF REMUNERATION OF DIRECTORS/ KMP/ EMPLOYEES**

In terms of the provisions of Section 197(12) of the Companies Act, 2013 read with Rules 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, there are NIL employees drawing remuneration in excess of the limits prescribed in the Act.

Disclosures pertaining to remuneration and other details as required under Section 197(12) of the Act read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is attached as '**Annexure –A**' which forms part of this report.

### **BOARD MEETINGS**

During the financial year 2016-2017, the Board of Directors met 19 (Nineteen) times and the date of Board Meeting were May 30, 2016, August 01, 2016, August 13, 2016, August 16, 2016, August 17, 2016, September 01, 2016, September 28, 2016, October 13, 2016, October 21, 2016, October 28, 2016, November 14, 2016, November 24, 2016, November 26, 2016, November 28, 2016, January 18, 2017, January 20, 2017, January 24, 2017, February 13, 2017 and February 23, 2017. The gap between any two meetings has been less than 120 days.

Details of the Board of Directors and Attendance Record of Directors during the financial year ended March 31, 2017 is as under:

Name	Board Meetings held	Board Meetings attended
Chintan Arvind Kapadia	19	19
Sandeep Ramkrishna Arora	19	19
Anupam Kumar	19	07
Paul Anthony Taylor	19	00

Sonia Khenduja	19	15
#Ajit Sharma Kamal	19	05
Arunkumar Tyagi	19	11
Sudhir V. Yashwantrao	19	12
Mataprasad B. Sharma	19	12

# Ajit Sharma, has *resigned from the Directorship of the Company w.e.f. August 17, 2016.*

\* Paul Anthony Taylor, has *resigned from the Directorship of the Company w.e.f. June 9, 2017*

## SHARE CAPITAL

The entire share capital of the Company is listed and traded on BSE Limited and National Stock Exchange of India Limited. The Board of Directors of the Company at its meeting held on August 16, 2016 at the registered office of the Company has approved Issue Bonus Equity Shares in the ratio of 1(One) equity shares of face value of Re.1/- (Rupee One) each fully paid up for every 10 (Ten) equity share of face value of Re.1/- (Rupee One) each held on a record date to be finalized at a later date by the Board of Directors i.e.; in a ratio of 10:1, by capitalizing the free reserves and securities premium account.

## Remuneration Policy

The Company's Remuneration Policy for Directors, Key Managerial Personnel, and other employees is available on the website of the Company i.e. [www.highgroundenterprise.com](http://www.highgroundenterprise.com)

## Familiarization Programme

The Company has established a Familiarization Programme for Independent Directors.

As per Reg. 25(7) of SEBI (LODR) In which the Board briefed them about the following points:

- Nature of the industry in which the Company operates
- Business model of the Company
- Roles, rights, responsibilities of independent directors
- Any other relevant information

## RELATED PARTIES TRANSACTIONS

All the transactions with related parties are in the ordinary course of business and on arm's length basis. The details of the transactions entered into between the Company and the related parties are given in AOC-2 as **Annexure B** to this report.

Your attention is drawn to the Related Party disclosures set out in Note no. 2.(13) of the Standalone Financial Statements.

## PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186 OF THE COMPANIES ACT, 2013

During the year under review the Company has not entered into any transactions under section 186 of the Companies Act, 2013. However previous year Un-Quoted Non – Current Investment made by the Company is as follows:

Sr. No.	Name of the Entity	Particulars of Transaction	Amount in Rs. Lacs (2016-17)	Amount in Rs. Lacs (2015-16)
1.	HGEL Integrated Private Ltd.	Investment in Subsidiary Company at cost	1.00	1.00
2.	Color Bar Private Ltd.	Investment in Subsidiary Company at cost	1.00	1.00
3.	Chitra Talent Management Pvt.ltd.	Investment in Associate Company at cost	0.49	0.49
4.	HGEL International Pte Ltd	Investment in Wholly Owned Subsidiary Company- at cost	3.86	-

#### **MATERIAL EVENTS THAT HAVE OCCURRED AFTER THE BALANCE SHEET DATE**

There had been no material events that have occurred after the balance sheet date.

#### **SIGNIFICANT / MATERIAL ORDERS PASSED IMPACTING ON GOING CONCERN STATUS AND COMPANY'S OPERATIONS**

There had been no significant / material orders passed against the Company, which shall impact the going concern status.

#### **DIRECTORS' RESPONSIBILITY STATEMENT**

Pursuant to the provisions of Section 134(5) of the Companies Act, 2013 with respect to the directors' responsibility statement, it is hereby confirmed that:

- in the preparation of the annual accounts for the year ended March 31, 2017 the applicable Accounting standards had been followed along with proper explanation relating to the material departures;
- the Directors of the Company had selected such accounting policies and applied them consistently and 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 March 31, 2017 and profit of the Company for the year ended March 31, 2017.
- the Directors of the Company had taken proper and sufficient care for the maintenance of proper accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- the Directors of the Company had prepared the accounts of the Company for the financial year ended March 31, 2017 on a going concern basis and;
- the Directors of the Company had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

#### **STATUTORY AUDITORS AND THEIR REPORT**

Pursuant to section 139 of the Act, your Company has appointed M/s. Jain Chowdhary & Co., Chartered Accountants, (FRN: 113267W) as Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of the next annual general meeting (AGM), subject to ratification of re-appointment by the members at every AGM.

You are requested to ratify the re-appointment of Auditors and to authorize the Board to fix their remuneration. The auditors M/s. Jain Chowdhary & Co., Chartered Accountants, are eligible for re-appointment. A certificate from the auditors has been received to the effect that their re-appointment, if made, would be within the prescribed limits. The Auditor's Report for the FY 16-17 does not contain any qualification, reservations, adverse remark or disclaimer. Further, the notes to accounts referred to in the Auditor's Report and CARO are self-explanatory.

## SECRETARIAL AUDITORS AND THEIR REPORT

Mr. Amit R. Dadheech, Company Secretaries, was appointed as Secretarial Auditors of the Company for the financial year 2016-17 Pursuant to Section 204 of the Companies Act, 2013. The Secretarial Audit Report submitted by them in the prescribed form MR- 3 is attached as `Annexure C` and forms part of this report. There are qualifications, observations and other remarks of the Secretarial Auditors in the Report issued by them for the financial year 2016-17 which are self explanatory in nature and does not call for any explanation from the Board of Directors.

## NATURE OF BUSINESS

Presently the Company operates in two divisions namely:

### Division 1: EPCM (Engineering Procurement and Construction Management)

- a) Oil & Gas sector
- b) Infra & support services / Consulting

### Division 2: Allied media services (M&A)

There has been no change in the nature of business of the Company carried out by the Company during the year under review.

## SUBSIDIARIES:

The Company has three subsidiaries, the details of the same are set below:

Sr. No	Name of the Subsidiary	Date of incorporation	Country	Business
1.	Colour Bar Private Limited	March 12, 2015	India	Post Production
2.	HGEL Integrated Pvt. Ltd	January 19, 2015	India	infra –projects viz. mining & exploration of natural resources & Stone Mining
3.	HGEL International Pte Ltd.	January 23,2017	Singapore	General Wholesale trade(including general Importers and Exporters)

The statement containing salient features of the financial statement of the above subsidiaries in Form AOC-1 is given in **Annexure-D**.

These documents shall also be available for inspection at the registered office of the Company during business hours up to the date of the ensuing AGM.

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

Pursuant to provisions of Section 134 of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014 the details of Conservation of Energy, Technology Absorption, are not applicable to the Company.

Details of Foreign Earning & Outflow are stated below:

(Rs. In lakh)

	Amount 2016-17	Amount 2015-16
Foreign Earning	-15.18	44.15
Foreign Exchange Out-flow	Nil	Nil



## CHANGE IN CAPITAL STRUCTURE AND LISTING OF SHARES

The Company's shares are listed on the Bombay Stock Exchange (BSE) Limited & The National Stock Exchange of India Limited (NSE). The details of the same are mentioned below as on March 31, 2017:

Name of the Stock Exchange	Number of shares (Equity) listed on the stock exchange
Bombay Stock Exchange Limited (BSE)	115115949
National Stock Exchange of India Limited (NSE)	115115949

The Company has regularly paid all the listing fees to the stock exchange and custodial fees to the depositories.

## EXTRACT OF THE ANNUAL RETURN

An extract of the Annual Return for the year ended March 31, 2017 as provided under sub-section (3) of Section 92 and prescribed under Rule 12 of Companies (Management & Administration) Rules, 2014 is attached as **Annexure-E** and forms part of this report.

## CORPORATE GOVERNANCE

As required by the existing Regulation 34(3) of the Listing Regulation, a detailed report on Corporate Governance is included in the Annual Report. The certificate from a practicing company secretary have been obtained for compliance of the requirements of Corporate Governance in terms of Regulation 34(3) of the Listing Regulation and the same is annexed to the Report on Corporate Governance.

## CORPORATE SOCIAL RESPONSIBILITY (CSR)

Social Welfare Activities has been an integral part of the Company since inception. The Company is committed to fulfill its social responsibility as a good corporate citizen. The Company fulfills the criteria set out in the section 135 of the Companies Act, 2013 and relevant rules stating applicability of the section. However, the Board of Directors of the Company has constituted a CSR Committee under review with 3 (three) of its Board members. Contents of Corporate Social Responsibility Policy in the Board's report are given in the report on CSR activities in **Annexure F**.

## MANAGERIAL REMUNERATION:

Disclosures of the ratio of the remuneration of each director to the median employee's remuneration and other details as required pursuant to Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is within the limits as prescribed under the Companies Act, 2013. The disclosure as required under section 134 of the Companies Act, 2013 read with relevant rules made therein under, is attached as **Annexure - A** and form part of this report

## BOARD COMMITTEES

The Company has the following Committees of the Board:

- Audit Committee
- Stakeholders Relationship Committee
- Nomination & Remuneration Committee
- CSR Committee

The composition of each of the above Committees, their respective role and responsibility is as detailed in the Report of Corporate Governance.

## VIGIL MECHANISM / WHISTLE BLOWER POLICY

The Board of Directors of High Ground Enterprise Limited is committed to maintain the highest standard of honesty, openness and accountability and recognize that employees have important role to play in achieving the goal. The Company's Vigil Mechanism Policy encourages Directors and employees to bring to the Company's attention, instances of unethical behavior and actual or suspected incidents of fraud or violation of the conduct that could adversely impact the Company's operations, business performance and / or reputation. The Policy provides that the Company investigates such incidents, when reported, in an impartial manner and takes appropriate action to ensure that the requisite standards of professional and ethical conduct are always

upheld. It is the Company's Policy to ensure that no employee is victimized or harassed for bringing such incidents to the attention of the Company. The practice of the Vigil Mechanism Policy is overseen by the Board of Directors and no employee has been denied access to the Committee.

## **INTERNAL FINANCIAL CONTROL**

The Company believes that internal control is a necessary concomitant of the principle of prudent business governance that freedom of management should be exercised within a framework of appropriate checks and balances. The Company remains committed to ensuring an effective internal control environment that inter alia provides assurance on orderly and efficient conduct of operations, security of assets, prevention and detection of frauds/errors, accuracy and completeness of accounting records and the timely preparation of reliable financial information.

In compliance of the provision of the Act, the Company has appointed M/s. Ambavat Jain & Associates LLP, Chartered Accountants, as its internal auditor of the Company for the financial year 2016-17.

The Company's independent and Internal Audit processes, both at the Business and Corporate levels, provide assurance on the adequacy and effectiveness of internal controls, compliance with operating systems, internal policies and regulatory requirements.

The Financial Statements of the Company are prepared on the basis of the Significant Accounting Policies that are carefully selected by management and approved by the Board. These, in turn are supported by a set of divisional Delegation Manual & Standard Operating Procedures (SOPs) that have been established for individual units/ areas of operations.

The Company has in place adequate internal financial controls with reference to the Financial Statements. Such controls have been tested during the year and no reportable material weakness in the design or operation was observed. Nonetheless the Company recognizes that any internal financial control framework, no matter how well designed, has inherent limitations and accordingly, regular audit and review processes ensure that such systems are reinforced on an ongoing basis.

## **RISK & MITIGATION**

The Company has identified various risks faced by the Company from different areas. As per the provision of the Companies Act, 2013 and listing agreements, the, the Board had adopted a risks management policy whereby a proper framework is set up. Appropriate structures are present so that risks are inherently monitored and controlled. A combination of policies and procedures attempts to counter risks as and when they evolve.

## **COST AUDITORS**

As the Company is operating in the service industry, cost audit is not applicable to the Company and hence no reporting is required.

## **DISCLOSURE ON DEPOSIT UNDER CHAPTER V**

The Company has neither accepted nor renewed any deposits during the Financial Year 2016-17 in terms of Chapter V of the Companies Act, 2013

## **DISCLOSURE AS REQUIRED UNDER SECTION 22 OF SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013**

The Company is committed to provide a protective environment at workplace for all its women employees. To ensure that every woman employee is treated with dignity and respect and as mandated under The Sexual

Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013” the Company has in place a formal policy for prevention of sexual harassment of its women employees.

The following is the summary of sexual harassment complaints received and disposed off during the current financial year.

Number of Complaints received: NIL

Number of Complaints disposed off: NIL

**SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS IMPACTING THE GOING CONCERNS STATUS AND COMPANY'S OPERATIONS IN FUTURE**

The Company has not received any significant or material orders passed by any Regulatory Authority, Court or Tribunal which shall impact the going concern status and Company's operations in future.

**INDUSTRIAL RELATIONS:**

The Company maintained healthy, cordial and harmonious industrial relations at all levels the enthusiasm and unstinting efforts of employees have enabled the company to remain at the leadership position in the industry it has taken various steps to improve productivity across organization.

**ACKNOWLEDGEMENTS:**

Your Directors place on record their gratitude to the Central Government, State Governments and Company's Bankers for the assistance, co-operation and encouragement they extended to the Company. Your Directors also wish to place on record their sincere thanks and appreciation for the continuing support and unstinting efforts of investors, vendors, dealers, business associates and employees in ensuring an excellent all around operational performance

Date: September 2, 2017

Place: Mumbai

**Regd. Office:**

Office No. 2, Om Heera Panna Mall,  
2<sup>nd</sup> Floor, Oshiwara,  
Andheri (West) Mumbai- 400053

**By Order of the Board**

**For High Ground Enterprise Limited**

**Sd/-**

**Sandeep R. Arora**

**Chairman & Managing Director**

**(DIN: 02587811)**

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# **ANNEXURES TO DIRECTOR'S REPORT**

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## **ANNEXURE A TO DIRECTORS REPORT**

Details pertaining to remuneration as required under Section 197(12) of the Companies Act, 2013, read with Rules 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

The percentage increase in remuneration of each Director, Chief Financial Officer and Company Secretary during the financial year 2016-17, ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2016-17 and the comparison of remuneration of each Key Managerial Personnel (KMP) against the performance are as under

(Amt in Rs.)

Sr. No.	Name of Director / KMP and designation	Remuneration for the FY 2016-17 (Amt. in Rs.)	% increase in remuneration in the FY 2016-17	Ratio of median remuneration to the remuneration of Directors/KMP
1.	Mr. Sandeep R. Arora	48,00,000	105.13%	2.614
2.	Mr. Chintan A. Kapadia	26,00,000	(70.59)%	5.228
	TOTAL	74,00,000	34.54%	7.842

### **Comparison of the remuneration of the key managerial personnel against the performance of the Company:**

Aggregate remuneration of key managerial personnel (KMP) in FY 2016 - 2017	72.00
Revenue	30,764.46
Remuneration of KMPs (as a % of revenue)	0.23
Profit before Tax (PBT)	1917.20
Remuneration of KMP (as a % of PBT)	3.76

Further, the List of top 10 employees drawing highest salary is mentioned below:

Sr. No.	Name of the Employee	Designation	Amount (in Rs.)
1.	Mr. Manish Mehrotra	CEO (EPCM Division)	15,00,000
2.	Mr. Amrit Rana	Sr. Accountant	5,06,467
3.	Mr. Mohit Puri	Sr. Manager Project	4,83,281
4.	Mr. Jayprakash Yadav	Accountant	4,42,000
5.	Mr. Mehul Patel	Sr. Accountant	4,20,000
6.	Mrs. Priya Mehrotra	Chief General Manager	4,00,000
7.	Mr. Kalpesh Patel	Accountant	3,90,000
8.	Mrs. Aditi Rane	Head-HR	3,75,000
9.	Mr. Harsh Priyadarshy	Dy. General Manager	3,42,450
10.	Mr. Shiv Kumar Garg	Sr.Accounts Manager	3,34,000

## ANNEXURE B TO DIRECTORS REPORT

### Form no. AOC-2

Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto

Details of contracts or arrangements or transactions at arm's length basis:

<b>(a) Name(s) of the related party and nature of relationship:</b>	Mr. Sandeep R. Arora (Managing Director)	Mr. Chintan Kapadia (Whole Time Director)	Mr. Sandeep R. Arora (Managing Director)	Colour Bar Pvt. Ltd. (Subsidiary)	HGEL Integrated Pvt. Ltd. (Subsidiary)	Chitra Talent Management Pvt. Ltd. (Associate Company)
<b>(b) Nature of contracts/ arrangements/ transactions:</b>	The Company has entered into transaction with Mr. Sandeep R. Arora Managing Director of the Company, by paying monthly rent of Rs. 3,00,000/- per month for the premises owned by him, to facilitate the business of the Company.	Payment of Managerial Remuneration to the Whole Time Director	Payment of Managerial Remuneration to the Managing Director	Loans and Advances given in the normal course of business for meeting the working capital Requirement	Loans and Advances given in the normal course of business for meeting the working capital Requirement	Loans and Advances given for setting up the business and brand promotion
<b>(c) Duration of the contracts / arrangements/ transactions:</b>	The duration entered for facilitating rent agreement with Mr. Sandeep R. Arora is for Thirty Three months	5 years	3 years	One year	One year	One Year
<b>(d) Salient terms of the contracts or arrangements or transactions including the value, if any:</b>	Terms and conditions entered for facilitating rent agreement are as mutually agreed between Company and Mr. Sandeep R. Arora.	As per appointment letter executed by the company and the director.	As per appointment letter executed by the company and the director.	As per Board Resolution dated March 12, 2015	As per Board Resolution dated January 19, 2015	As per Board Resolution dated July 29, 2015
<b>(e) Justification for entering into such contracts or arrangements or transactions</b>	Since, Mr. Sandeep R. Arora, Managing Director of the Company own a premises and was willing to lend it on rent, the management decided to take the premises for office use from the Director rather than opting for some other premises as it will be convenient to both the parties as well.	As per industrial standards and as per the approval of the shareholders the Company is paying remuneration to the Whole Time Director	As per industrial standards and as per the approval of the shareholders the Company is paying remuneration to the Whole Time Director As per industrial standards and as per the approval of the shareholders the Company is paying remuneration to the Managing Director	Subsidiary Company	Subsidiary Company	Associate Company
<b>(f) Date(s) of approval by the Board:</b>	September 1, 2014	September 1, 2014	April 21, 2015	March 12, 2015	January 19, 2015	July 29, 2015
<b>(g) Amount paid as advances, if any: (Rs. In lacs)</b>	Nil	Nil	Nil	21.02	277.76	Nil
<b>(h) Date on which the special resolution was passed in general meeting as required under first proviso to section 188:</b>	Earlier the shareholder approval was taken on September 27, 2013 under Companies Act, 1956 and under new Companies Act, 2013 the approval was taken on September 27, 2014	September 27, 2014	September 21, 2015	N.A	N.A	N.A

**ANNEXURE C TO DIRECTORS REPORT  
FORM NO. MR-3  
SECRETARIAL AUDIT REPORT  
FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2017  
[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No.9 of the  
Companies (Appointment and Remuneration Personnel) Rules, 2014]**

To,  
The Members,  
High Ground Enterprise Limited  
Office No. 2, Om Heera Panna Mall, 2nd Floor,  
Oshiwara, Andheri (West)  
Mumbai-400053

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **High Ground Enterprise Limited (CIN:L74999MH1986PLC222681)** (hereinafter called "the company"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of **High Ground Enterprise Limited** books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of the Secretarial Audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on March 31, 2017 complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

**We have examined the books, papers, minute books, forms and returns filed and other records maintained by High Ground Enterprise Limited for the financial year ended on March 31, 2017 according to the provisions of:**

1. The Companies Act, 2013 (the Act) and the rules made thereunder;
2. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
3. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
4. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
5. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
6. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
7. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
8. The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999; **(During the period under review, the Company has not entered into any transaction requiring compliances with the Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999)**
9. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;

**(During the period under review, the Company has not entered into any transaction requiring compliances with the Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008)**

10. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
11. The SEBI (Listing Obligation and Disclosure Requirement) Regulations, 2015.
12. Secretarial Standards as issued by The Institute of Company Secretaries of India.
13. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and **(During the period under review, the Company has not entered into any transaction requiring compliances with the Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009)**
14. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; **(During the period under review, the Company has not entered into any transaction requiring compliances with the Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998)**

#### **OTHER APPLICABLE LAWS:**

With respect to the compliance system prevailing in the Company and on examination of the relevant documents and records in pursuance thereof, on test check basis, the Company has complied with the following laws applicable to the Company, except those stated below:

1. Employees Provident Fund and Miscellaneous Provisions Act, 1952
2. Indian Contract Act, 1872.
3. Sales Tax Act / Maharashtra Value Added Tax, 2002.
4. Income Tax Act, 1961 to the extent of Tax Deducted at Source under various Section and T.D.S. Returns filed.
5. Indirect Tax Laws relating to collections, deductions, wherever applicable, payments made and returns filed.
6. Profession Tax Act, 1975.
7. Shops and Establishment Act, 1948.
8. The Copyright Act, 1957
9. Trade Marks Act, 1999
10. The Cinematograph Act, 1952

The Company has been regular in depositing the statutory dues with the regulatory / statutory authority, except those which remain in dispute. Further, certain undisputed statutory dues (viz. Service tax, TDS, and Profession Tax) remain unpaid as at March 31, 2017 which were due for more than six months from the date they became payable.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

We further report that:

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.



Majority decision is carried unanimously, however, the dissenting members' views, if any, are captured and recorded as part of the minutes.

We further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the audit period:

- i) As per section 123 of the Companies Act, 2013, the Company has delayed in payment of the dividend for the financial year 2015-16 within the specified time as mentioned under the act. However, at the date of the signing of this report there has been no outstanding payment towards dividend for the financial 2015-16.
- ii) As explained to us by the management, there is unclaimed dividend from last three years in the Company. The relevant forms to be filed with the Registrar of Companies were not available for inspection.

**Note: This report is to be read with our letter of even date, which annexed as Annexure A and forms an integral part of this report.**

### **Annexure A to the Secretarial Audit Report**

The Members

High Ground Enterprise Limited

Office No. 2, Om Heera Panna Mall, 2nd Floor,

Oshiwara, Andheri (West)

Mumbai-400053

1. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
2. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
3. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on the random test basis.
4. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on the random test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
5. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

**For Amit R. Dadheech & Associates**

**Sd/-**

**Amit R. Dadheech**

M. No.: 22889; C.P. No.: 8952

Mumbai, September 2, 2017

## ANNEXURE D TO DIRECTORS REPORT

### Form AOC-1

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies  
(Accounts) Rules, 2014)

### Statement containing salient features of the financial statement of subsidiaries/associate companies/ joint ventures

#### Part “A”: Subsidiaries

(Information in respect of each subsidiary to be presented with amounts in Rs.)

Sl. No.	Particulars	Details	Details	Details
1.	Name of the subsidiary	Colour Bar Private Limited	HGEL Integrated Private Limited*	HGEL International Pte Ltd.
2.	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	March 31, 2017	March 31, 2017	March 31, 2017
3.	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	Not Applicable	Not Applicable	Singapore Dollars
4.	Share capital	Rs. 1,00,000/- divided into 10,000 equity shares of Rs. 10/- each.	Rs. 1,00,000/- divided into 10,000 equity shares of Rs. 10/- each	10000 Singapore Dollars
5.	Reserves & surplus	4,49,910	-	-
6.	Total assets	88,51,723	18,50,26,884	-
7.	Total Liabilities	83,01,813	18,49,26,884	-
8.	Investments	-	-	-
9.	Turnover	84,67,263	14,10,17,670	-
10.	Profit before taxation	5,47,016	-1,35,04,368	-
11.	Provision for taxation	1,42,914	-	-
12.	Profit after taxation	4,04,102	-1,35,04,368	-
13.	Proposed Dividend	-	-	-
14.	% of shareholding	99.90	99.90	-

**Notes:** The following information shall be furnished at the end of the statement:

- Names of subsidiaries which are yet to commence operations
- Names of subsidiaries which have been liquidated or sold during the year.

**Part “B”: Associates and Joint Ventures**

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to  
Associate Companies and Joint Ventures

<b>SR. NO.</b>	<b>Name of associates/Joint Ventures</b>	<b>Chitra Talent Management Private Limited</b>
1.	Latest audited Balance Sheet Date	March 31, 2017
2.	Shares of Associate/Joint Ventures held by the company on the year end.  No Amount of Investment in Associates/Joint Venture Extend of Holding%	4900 Equity shares of Rs. 10/- each.  49% of the total paid up share capital
3.	Description of how there is significant influence	The Company has “significant influence” which means control of at least 20% of total share capital according to Companies Act, 2013
4.	Reason why the associate/joint venture is not consolidated	As the Company is having less than 50% control of the Associate Company
5.	Net worth attributable to shareholding as per latest audited Balance Sheet	17,48,887
6.	Profit for the year	
	• Considered in Consolidation	
	• Not Considered in Consolidation	5,11,222

- Names of associates or joint ventures which are yet to commence operations – Not Applicable
- Names of associates or joint ventures which have been liquidated or sold during the year. – Not Applicable

For Jain Chowdhary & Co. Chartered Accountants FR No.113267W Sd/- Siddharth Jain Partner M.No.104709	For High Ground Enterprise Limited Sd/- Sandeep R. Arora Chairman & Managing Director DIN:02587811	For High Ground Enterprise Limited Sd/- Chintan Kapadia Whole Time Director DIN:01639589	For High Ground Enterprise Limited Sd/- Unnati A. Amodwala Company Secretary & Compliance officer
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## Annexure E to Director's Report

### Form No. MGT-9

Extract of Annual Return as on the financial year ended on 31st March, 2017 [Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules,

#### I. REGISTRATION & OTHER DETAILS:

CIN	L74999MH1986PLC222681
Registration Date	15/01/1986
Name of the Company	High Ground Enterprise Limited
Category/Sub-category of the Company	Public Limited Company
Address of the Registered office & contact details	Office No. 2, Om Heera Panna Mall, 2nd Floor, Oshiwara, Andheri (West). Mumbai-400053
Whether listed company	Yes
Name, Address & contact details of the Registrar & Transfer Agent, if any.	RCMC Share Registry Pvt. Ltd Add: B-25/1, First Floor, Okhla Industrial Estate, Phase - II, New Delhi – 110020 Tel no.: 011 – 26387320 / 21 / 23, Fax no.: 011 - 26387322 E-mail id- shares@rcmcdelhi.com

#### II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY (All the business activities contributing 10 % or more of the total turnover of the company shall be stated)

S. No.	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the company
1	Engineering Procurement Construction Management	11	83
2	Media, Consulting and allied services	22	17

#### III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sr. No.	Name of the Company	Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
1.	Colour Bar Private Limited	2, Om Heera Panna Mall, 2nd Floor Oshiwara Andheri (West).	U22222MH2015PTC262675	Wholly Owned Subsidiary	99.90%	2(87)(ii)
2.	HGEL Integrated Private Limited	2, Om Heera Panna Mall, 2nd Floor Oshiwara Andheri (West).	U51101MH2015PTC261068	Wholly Owned Subsidiary	99.90%	2(87)(ii)
3.	Chitra Talent Management Private Limited	2, Om Heera Panna Mall 2nd Floor Oshiwara Andheri (West) Mumbai Mumbai City Mh 400053	U22211MH2015PTC266977	Associate	49%	2 (6)
4.	HGEL International Pte Ltd	30 CECIL Street # 19-08 Prudential Tower Singapore- 049712	201702254W	Wholly Owned Subsidiary	100%	2(87)(ii)

#### IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

Category-wise Share Holding

Category of Share-holders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	As on 31/03/2016				As on 31/03/2017				
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>									
<b>(1) Indian</b>									
a) Individual/ HUF	2626970	0	2626970	2.51	2889667	0	2889667	2.51	0.000
b) Central Govt State Govt (s)	0	0	0	0.00	0	0	0	0.00	
c) Bodies Corp.	48238910	0	48238910	46.10	53062801	0	53062801	46.10	0.000
d) Banks/FI	0	0	0	0.00	0	0	0	0.00	
e) Others (trusts)	0	0	0	0.00	0	0	0	0.00	
<b>Sub-total (A) (1):-</b>	<b>50865880</b>	<b>0</b>	<b>50865880</b>	<b>48.61</b>	<b>55952468</b>	<b>0</b>	<b>55952468</b>	<b>48.61</b>	0.000
<b>(2) Foreign</b>								0.00	
a) NRIs - Individuals	0	0	0	0.00	0	0	0	0.00	
b) Other - Individuals	0	0	0	0.00	0	0	0	0.00	
c) Bodies Corp.	0	0	0	0.00	0	0	0	0.00	
d) Banks / FI	0	0	0	0.00	0	0	0	0.00	
e) Any Other....	0	0	0	0.00	0	0	0	0.00	
<b>Sub-total(A)(2):-</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	0.000
<b>Total shareholding of Promoter (A) = (A) (1)+(A)(2)</b>	<b>50865880</b>	<b>0</b>	<b>50865880</b>	<b>48.61</b>	<b>55952468</b>	<b>0</b>	<b>55952468</b>	<b>48.61</b>	0.000
<b>B. Public Shareholding</b>								0.00	0.000
<b>1. Institutions</b>								0.00	0.000
a) Mutual Funds	0	1000	1000	0.00	0	1100	1100	0.00	0.000
b) Banks/FI	50649	0	50649	0.05	0	0	0	0.00	-0.048
c) Central Govt/ State Govt(s)	0	0	0	0.00	0	0	0	0.00	0.000
d) Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.000
e) Insurance Companies	0	0	0	0.00	0	0	0	0.00	0.000
f) FIs	0	0	0	0.00	0	0	0	0.00	0.000
g) Foreign Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.000
i) Others	0	0	0	0.00	550	0	550	0.00	0.000
<b>Sub-total (B)(1):-</b>	<b>50649</b>	<b>1000</b>	<b>51649</b>	<b>0.05</b>	<b>550</b>	<b>1100</b>	<b>1650</b>	<b>0.00</b>	-0.048
<b>2.Non-Institutions</b>									
a) Bodies Corp.	30894074	76000	30970074	29.59	29435210	81400	29516610	25.64	-3.953
b) Individuals								0.00	
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	6789216	3430000	10219216	9.77	7302355	3488100	10790455	9.37	-0.392

ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	7942416	1020000	8962416	8.56	9636890	1122000	10758890	9.35	0.782
C) Others : i) Clearing Members	387573	0	387573	0.37	4560157	0	4560157	3.96	3.591
ii) Non Residents	3139055	54000	3193055	3.05	3476219	59400	3535619	3.07	0.020
iii) Foreign Company	0	0	0	0.00	0	0	0	0.00	0.000
iv) Trusts	1000	0	1000	0.00	100	0	100	0.00	-0.001
<b>Sub-total (B)(2):-</b>	<b>49153334</b>	<b>4580000</b>	<b>53733334</b>	<b>51.35</b>	<b>54410931</b>	<b>4750900</b>	<b>59161831</b>	<b>51.39</b>	<b>0.048</b>
<b>Total Public Shareholding (B) = (B)(1) + (B)(2)</b>	<b>49203983</b>	<b>4581000</b>	<b>53784983</b>	<b>51.39</b>	<b>54411481</b>	<b>4752000</b>	<b>59163481</b>	<b>51.39</b>	<b>0.000</b>
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	
<b>Grand Total (A+B+C)</b>	<b>100069863</b>	<b>4581000</b>	<b>104650863</b>	<b>100.00</b>	<b>110363949</b>	<b>4752000</b>	<b>115115949</b>	<b>100.00</b>	<b>0.000</b>

#### B) Shareholding of Promoter-

Sr No.	Shareholder's Name	Shareholding at the beginning of the year (March 2016)			Shareholding at the end of the year (March 2017)			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	High Ground Productions Pvt Ltd	3,63,55,030	34.74	0	39990533	34.74	0	0
2	Picture Thoughts Pvt Ltd	1,18,83,880	11.36	0	13072268	11.36	0	0
3	Sandeep R Arora	20,45,120	1.95	0	2249632	1.95	0	0
4	Sheenu Arora	3,01,850	0.29	0	332035	0.29	0	0
5	Ramkrishna Arora	1,40,000	0.13	0	154000	0.13	0	0
6	Vinodbala Arora	1,40,000	0.13	0	154000	0.13	0	0

#### C) Change in Promoters' Shareholding (please specify, if there is no change)

SN	Particulars		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
			No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	High Ground Productions Pvt Ltd					
	At the beginning of the year		36355030	31.58	36355030	31.58
	18/11/2016	Transfer	3635503	3.16	39990533	34.74
	At the end of the year				39990533	34.74
2	Picture Thoughts Pvt Ltd					
	At the beginning of the year		11883880	10.32	11883880	10.32
	18/11/2016	Transfer	1188388	1.03	13072268	11.36
	At the end of the year				13072268	11.36
3	Sandeep Ramkrishna Arora					
	At the beginning of the year		2045120	1.78	2045120	1.78
	18/11/2016	Transfer	204512	0.18	2249632	1.95
	At the end of the year				2249632	1.95

4	Sheenu Sandeep Arora					
	At the beginning of the year		301850	0.26	301850	0.26
	18/11/2016	Transfer	30185	0.03	332035	0.29
	At the end of the year				332035	0.29
5	Ram Krishna Arora					
	At the beginning of the year		140000	0.12	140000	0.12
	18/11/2016	Transfer	14000	0.01	154000	0.13
	At the end of the year				154000	0.13
6	Vinod Arora					
	At the beginning of the year		140000	0.12	140000	0.12
	18/11/2016	Transfer	14000	0.01	154000	0.13
	At the end of the year				154000	0.13

D) **INDEBTEDNESS** - Indebtedness of the Company including interest outstanding/accrued but not due for payment.

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	3,20,34,555	-	-	3,20,34,555
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	3,20,34,555	-	-	3,20,34,555
<b>Change in Indebtedness during the financial year</b>				
* Addition	2,77,41,747	-	-	2,77,41,747
* Reduction	3,48,56,739	-	-	3,48,56,739
<b>Net Change</b>	(71,14,992)	-	-	(71,14,992)
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	2,49,19,563	-	-	2,49,19,563
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	2,49,19,563	-	-	2,49,19,563

E) **Shareholding Pattern of top ten Shareholders:** (Other than Directors, Promoters and Holders of GDRs and ADRs):

Sl No.	For Each of the Top 10 Shareholders		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
			No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company
1	<b>WINFOTEL TECHNOLOGIES PRIVATE LIMITED</b>					
	At the beginning of the year 01/04/2016		8600920	7.47	8600920	7.47
	18/11/2016	Transfer	860092	0.75	9461012	8.22
	At the end of the year 31/03/2017				9461012	8.22



<b>2</b>	<b>FILM CONSULTANCY AND INCENTIVES PRIVATE LIMITED</b>					
	At the beginning of the year 01/04/2016		6315490	5.49	6315490	5.49
	04/11/2016	Transfer	-22491	-0.02	6292999	5.47
	18/11/2016	Transfer	631549	0.55	6924548	6.02
	09/12/2016	Transfer	-57987	-0.05	6866561	5.96
	23/12/2016	Transfer	28500	0.02	6895061	5.99
	17/03/2017	Transfer	100000	0.09	6995061	6.08
	At the end of the year 31/03/2017				6995061	6.08
<b>3</b>	<b>ABHEEK PROPERTIES PRIVATE LIMITED</b>					
	At the beginning of the year 01/04/2016		4045703	3.51	4045703	3.51
	15/04/2016	Transfer	-5000	0	4040703	3.51
	22/04/2016	Transfer	8000	0.01	4048703	3.52
	06/05/2016	Transfer	-1068	0	4047635	3.52
	13/05/2016	Transfer	-11932	-0.01	4035703	3.51
	20/05/2016	Transfer	45489	0.04	4081192	3.55
	27/05/2016	Transfer	-24989	-0.02	4056203	3.52
	03/06/2016	Transfer	-25001	-0.02	4031202	3.5
	17/06/2016	Transfer	12905	0.01	4044107	3.51
	24/06/2016	Transfer	-3090	0	4041017	3.51
	01/07/2016	Transfer	12000	0.01	4053017	3.52
	29/07/2016	Transfer	27500	0.02	4080517	3.54
	12/08/2016	Transfer	-6500	-0.01	4074017	3.54
	26/08/2016	Transfer	-10000	-0.01	4064017	3.53
	23/09/2016	Transfer	34893	0.03	4098910	3.56
	30/09/2016	Transfer	5107	0	4104017	3.57
	07/10/2016	Transfer	15946	0.01	4119963	3.58
	21/10/2016	Transfer	-20000	-0.02	4099963	3.56
	28/10/2016	Transfer	-76960	-0.07	4023003	3.49
	04/11/2016	Transfer	42858	0.04	4065861	3.53
	18/11/2016	Transfer	409996	0.36	4475857	3.89
	02/12/2016	Transfer	81927	0.07	4557784	3.96
	09/12/2016	Transfer	-70406	-0.06	4487378	3.9
	16/12/2016	Transfer	6229	0.01	4493607	3.9
	13/01/2017	Transfer	-50000	-0.04	4443607	3.86
	20/01/2017	Transfer	75000	0.07	4518607	3.93
	27/01/2017	Transfer	-47500	-0.04	4471107	3.88
	10/02/2017	Transfer	-2000	0	4469107	3.88
	24/03/2017	Transfer	-139715	-0.12	4329392	3.76
	At the end of the year 31/03/2017				4329392	3.76
<b>4</b>	<b>WORLDWIDE PICTURE PRIVATE LIMITED</b>					
	At the beginning of the year 01/04/2016		4025230	3.5	4025230	3.5
	18/11/2016	Transfer	402523	0.35	4427753	3.85
	At the end of the year 31/03/2017				4427753	3.85
<b>5</b>	<b>MAYANK S BHATT .</b>					
	At the beginning of the year 01/04/2016		3999970	3.47	3999970	3.47
	18/11/2016	Transfer	399997	0.35	4399967	3.82

	At the end of the year 31/03/2017				4399967	3.82
<b>6</b>	<b>BRIGHT HILLS INFRA PROJECTS PVT LTD</b>					
	At the beginning of the year 01/04/2016		3239366	2.81	3239366	2.81
	29/04/2016	Transfer	49810	0.04	3289176	2.86
	06/05/2016	Transfer	37190	0.03	3326366	2.89
	20/05/2016	Transfer	-3000	0	3323366	2.89
	03/06/2016	Transfer	-24600	-0.02	3298766	2.87
	10/06/2016	Transfer	5700	0	3304466	2.87
	17/06/2016	Transfer	2936	0	3307402	2.87
	24/06/2016	Transfer	2373	0	3309775	2.88
	01/07/2016	Transfer	-39015	-0.03	3270760	2.84
	29/07/2016	Transfer	20000	0.02	3290760	2.86
	19/08/2016	Transfer	-33000	-0.03	3257760	2.83
	02/09/2016	Transfer	-50000	-0.04	3207760	2.79
	07/10/2016	Transfer	30000	0.03	3237760	2.81
	14/10/2016	Transfer	-100000	-0.09	3137760	2.73
	28/10/2016	Transfer	-16038	-0.01	3121722	2.71
	04/11/2016	Transfer	17197	0.01	3138919	2.73
	18/11/2016	Transfer	313777	0.27	3452696	3
	09/12/2016	Transfer	18569	0.02	3471265	3.02
	16/12/2016	Transfer	4023	0	3475288	3.02
	13/01/2017	Transfer	-5150	0	3470138	3.01
	20/01/2017	Transfer	-21944	-0.02	3448194	3
	27/01/2017	Transfer	-81424	-0.07	3366770	2.92
	17/03/2017	Transfer	49000	0.04	3415770	2.97
	At the end of the year 31/03/2017				3415770	2.97
<b>7</b>	<b>RAJESH SHARMA</b>					
	At the beginning of the year 01/04/2016		2980590	2.59	2980590	2.59
	18/11/2016	Transfer	298059	0.26	3278649	2.85
	At the end of the year 31/03/2017				3278649	2.85
<b>8</b>	<b>PICTURE THOUGHTS PRODUCTIONS PVT LTD</b>					
	At the beginning of the year 01/04/2016		2066806	1.8	2066806	1.8
	10/06/2016	Transfer	-26301	-0.02	2040505	1.77
	24/06/2016	Transfer	20000	0.02	2060505	1.79
	05/08/2016	Transfer	1173	0	2061678	1.79
	19/08/2016	Transfer	240	0	2061918	1.79
	09/09/2016	Transfer	-1000	0	2060918	1.79
	14/10/2016	Transfer	-174777	-0.15	1886141	1.64
	04/11/2016	Transfer	-20910	-0.02	1865231	1.62
	11/11/2016	Transfer	905	0	1866136	1.62
	18/11/2016	Transfer	188614	0.16	2054750	1.78
	09/12/2016	Transfer	6509	0.01	2061259	1.79
	23/12/2016	Transfer	9047	0.01	2070306	1.8
	20/01/2017	Transfer	-19252	-0.02	2051054	1.78
	27/01/2017	Transfer	3455	0	2054509	1.78

	10/02/2017	Transfer	6387	0.01	2060896	1.79
	10/03/2017	Transfer	45315	0.04	2106211	1.83
	At the end of the year 31/03/2017				2106211	1.83
<b>9</b>	<b>ASHISH KATHPAL</b>					
	At the beginning of the year 01/04/2016		1020000	0.89	1020000	0.89
	11/11/2016	Transfer	102000	0.09	1122000	0.97
	At the end of the year 31/03/2017				1122000	0.97
<b>10</b>	<b>CHINTAN ARVIND KAPADIA</b>					
	At the beginning of the year 01/04/2016		1000000	0.87	1000000	0.87
	18/11/2016	Transfer	100000	0.09	1100000	0.96
	At the end of the year 31/03/2017				1100000	0.96

#### E) Shareholding of Directors and Key Managerial Personnel:

SN	Shareholding of each Directors and each Key Managerial Personnel	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	<b>Mr. Sandeep R. Arora</b>				
	At the beginning of the year	2045120	1.78	Nil	Nil
	Preferential allotment/Bonus Allotment	204512	0.17	Nil	Nil
	At the End of the year	2249632	1.95	2249632	1.95
	<b>Mr. Chintan Kapadia</b>				
	At the beginning of the year	1000000	0.87	Nil	Nil
	Preferential allotment	100000	0.09	Nil	Nil
	At the End of the year	1100000	0.96	1100000	0.96

### XI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL-

#### A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

SN.	Particulars of Remuneration	Name of MD/WT/ Manager			Total Amount (in Rs.)
		Sandeep R. Arora	Chintan Kapadia	Arun Kumar Tyagi	Rupees
1	Gross salary	48,00,000 p.a.	26,00,000 p.a	Nil	74,00,000 P.a
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	Nil	Nil	Nil	Nil
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	Nil	Nil	Nil	Nil
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	Nil	Nil	Nil	Nil
2	Stock Option	Nil	Nil	Nil	Nil
3	Sweat Equity	Nil	Nil	Nil	Nil
4	Commission - as % of profit - others, specify...	Nil	Nil	Nil	Nil
5	Others, please specify	Nil	Nil	Nil	Nil
	Total (A)	48,00,000 p.a.	26,00,000 p.a	Nil	74,00,000 P.a
	Ceiling as per the Act (with approval of shareholders)	The salary paid to the Directors is within the prescribed limits of the Act			

**B. Remuneration to other directors**

SN.	Particulars of Remuneration	Name of the Independent Directors						Total Amount
1	Independent Directors	<b>Mataprasad Sharma</b>	<b>Paul Taylor</b>	<b>Sonia Khenduja</b>	<b>Anupam Kumar</b>	<b>Ajit Sharma</b>	<b>Sudhir Vinayak Yashwantrao</b>	
	Fee for attending board committee meetings	90,000	Nil	180,000	Nil	75,000	90,000	4,35,000
	Commission	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	Others, please specify	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	Total (1)	Nil	Nil	Nil	Nil	Nil	Nil	Nil
2	Other Non-Executive Directors							
	Fee for attending board committee meetings	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	Commission	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	Others, please specify ( ` 10000 per Committee Meeting)	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	Total (2)	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	Total (B)=(1+2)	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	Total Managerial Remuneration	90,000	Nil	180,000	Nil	75,000	90,000	4,35,000
	Overall Ceiling as per the Act (Rs. 1,00,000 Per Meeting)		The sitting fees paid to the Independent Directors is within the prescribed limits under the Act					

**C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTd**

SN	Particulars of Remuneration	Key Managerial Personnel			
		CEO	CS	CFO	Total
1	Gross salary	Nil	27,000 p.m.	Nil	Nil
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	Nil	Nil	Nil	Nil
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	Nil	Nil	Nil	Nil
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	Nil	Nil	Nil	Nil
2	Stock Option	Nil	Nil	Nil	Nil
3	Sweat Equity	Nil	Nil	Nil	Nil
4	Commission	Nil	Nil	Nil	Nil
	- as % of profit	Nil	Nil	Nil	Nil
	others, specify...	Nil	Nil	Nil	Nil
5	Others, please specify	Nil	Nil	Nil	Nil
	Total	Nil	27,000 p.m	Nil	Nil

## VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES: NIL

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT/ COURT]	Appeal made, if any (give Details)
A. COMPANY					
Penalty	Nil	Nil	Nil	Nil	Nil
Punishment	Nil	Nil	Nil	Nil	Nil
Compounding	Nil	Nil	Nil	Nil	Nil
B. DIRECTORS					
Penalty	Nil	Nil	Nil	Nil	Nil
Punishment	Nil	Nil	Nil	Nil	Nil
Compounding	Nil	Nil	Nil	Nil	Nil
C. OTHER OFFICERS IN DEFAULT					
Penalty	Nil	Nil	Nil	Nil	Nil
Punishment	Nil	Nil	Nil	Nil	Nil
Compounding	Nil	Nil	Nil	Nil	Nil

**ANNEXURE F TO DIRECTORS REPORT**  
**Report on CSR Activities Initiated**  
**[Pursuant to Section 135 of the Act & Rules made thereunder]**

Sr. No	Particulars
1.	<p><b>Description</b>  A brief Outline of the Company's CSR Policy including overview of the projects or programme proposed to be undertaken and reference to the web-link to the CSR Policy and projects or programmes:</p> <p>As part of socially responsible company, HGEL has and continues to adopt policies, and business strategies to effectively integrate emerging environmental, social and economic considerations. Whether it's through conserving energy, recycling, or finding innovative solutions to environmental and social challenges, HGEL is committed to being a respectful, responsible and positive influence on the environment and the society in which we operate. Efficient power management, infrastructure sharing, use of eco-friendly renewable energy sources, etc. are some of the inbuilt practices in our day-to-day business operations, to ensure a clean and green environment.</p> <p>This policy outlines the Company's social and moral responsibilities to consumers, employees, shareholders, society and local community and lays down guidelines and mechanism for carrying out programmes, projects and activities that actively assist in overall improvement in the quality of life of local community residing in the vicinity of its society at large as also making them self-reliant, safeguarding of health, preservation of ecological balance and protection of environment.</p> <p>The primary objectives of this Policy are: -</p> <ol style="list-style-type: none"> <li>To ensure an increased commitment at all levels in the Company, to operate its business in an economically, socially &amp; environmentally sustainable manner, while recognising the interests of all its stakeholders.</li> <li>To directly or indirectly take up programmes that benefit the communities in and around its work centres and results, over a period of time, in enhancing the quality of life &amp; economic well-being of the local population.</li> <li>To generate, through its CSR initiatives, a community goodwill for HGEL and help reinforce a positive &amp; socially responsible image of HGEL as a corporate entity</li> </ol>
2.	<p>The Composition of CSR Committee</p> <ul style="list-style-type: none"> <li>Sandeep R. Arora</li> <li>Chintan Kapadia</li> <li>Sonia Khenduja</li> </ul>
3.	<p>Average net profits of the Company for last 3 financial years</p> <p>Rs. 17,93,40,000/-</p>
4.	<p>Prescribed CSR Expenditure (2% of amount)</p> <p>Rs. 35,86,800/-</p>
5.	<p>Details of CSR Activities/Projects undertaken during the year</p> <p>As mentioned in the below table</p>
a.	<p>Total amount to be spent for the financial year</p> <p>Rs. 35,86,800/-</p>
b.	<p>Amt unspent if any</p> <p>Nil</p>
c.	<p>Manner in which amt spent during the financial year, is detailed below</p>

1.	2	3	4	5	6	7	8
Sr. No	CSR projects/ activity identified	Sector in which the Project is covered	Projects/ Programme 1.) Local area/ others 2.) Specify the state/ district where the programme was undertaken	Amount out(budget project/ programme wise	Amount spent on the project/ program Subhead Direct expenditure on project/ programme	Cumulative spent during the reporting period	Amount spent directly through implementing agency
1	Providing Health Care Package to elderly persons i.e. staying at Old Age Homes and child care to childrens, through Care Child & Old Age Foundation Mumbai	Promoting health care including preventive health care	Maharashtra	25,000	25,000	25,000	25,000

2	Provided Food, accommodations, medical rehabilitation to 110 Psychiatric patients who are orphaned by their families and society, Through United Orphanage for the Disabled	Promoting health care including preventive health care	Tamil Nadu	20,250	20,250	20,250	20,250
3	Job Oriented Skill Development/ Upgradation Training Programme among the children	Education	New Delhi	25,00,000	25,00,000	25,00,000	25,00,000
4	Providing Health Care Packages to childrens, through Child health Foundation Mumbai	Health	Maharashtra	30,000	30,000	30,000	30,000
5	Preventing culture	Heritage art and culture	Ahmedabad	10,00,000	10,00,000	10,00,000	10,00,000
6	Job Oriented Skill Development/ Upgradation Training Programme	Education	New Delhi	50,00,000	50,00,000	50,00,000	50,00,000

6. In case the Company has fail to spent 2% of the average net profits of the last three financial year or any part thereof, the reason for not spending the amount:

During the year under review and till the date of this report the company has undertaken various CSR activities and have spent the amounts mentioned above. The total amount spent by the Company towards CSR amount to Rs. 85,75,250/-. This include the unspent amount due for the financial year 2015-16 and the current year.

The CSR Activities undertaken by the Company has been done upon receiving various proposals from different agencies with respect to spending the corpus, as mentioned above, on CSR activities.

The Company has analyzed the merits of each proposals and have would initiated the implantation of the said proposal in near future. The Company will strive to implement other policies in accordance with the provision of the Companies Act, 2013.

## 7. Responsibility Statement:

We, Mr. Sandeep R. Arora, Mr. Chintan Kapadia and Ms. Sonia Khenduja, the members of CSR Committee of High Ground Enterprise Limited confirm that the implementation and monitoring of CSR Policy has been in compliance with CSR objectives and Policy framed by the Company.

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# **MANAGEMENT DISCUSSION AND ANALYSIS REPORT**

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## MANAGEMENT DISCUSSION AND ANALYSIS REPORT

### A] BUSINESS OUTLOOK

#### INFRASTRUCTURE SECTOR (EPCM)

##### Introduction

Infrastructure sector is a key driver for the Indian economy. The sector is highly responsible for propelling India's overall development and enjoys intense focus from Government for initiating policies that would ensure time-bound creation of world class infrastructure in the country. Infrastructure sector includes power, bridges, dams, roads and urban infrastructure development. In 2016, India jumped 19 places in World Bank's Logistics Performance Index (LPI) 2016, to rank 35th amongst 160 countries.

##### Market Size

Foreign Direct Investment (FDI) received in Construction Development sector (townships, housing, built up infrastructure and construction development projects) from April 2000 to March 2017 stood at US\$ 24.3 billion, according to the Department of Industrial Policy and Promotion (DIPP).

##### Investments

India is witnessing significant interest from international investors in the infrastructure space. Some key investments in the sector are listed below.

- The infrastructure sector in India witnessed 33 deals in FY 2016-17 involving US\$ 3.49 billion as against US\$ 2.98 billion raised across 31 deals in FY 2015-16, with the majority of deals led by the power, roads and renewable sectors, as per investment bank Equirus Capital.
- Meinhardt Group, an engineering company based in Singapore, plans to establish its position in India as it targets the next wave of India's urban development to meet the country's development needs.
- UAE-based firm, DP World, having previously invested US\$ 1 billion in India, is planning to invest another US\$ 1 billion in India's infrastructure sector along with logistics and container terminals, stated Mr Sultan Ahmed bin Sulayem, Chief Executive Officer (CEO), DP World.
- I Squared Capital, a global infrastructure investment company, plans to raise up to US\$ 4 billion through its second infrastructure fund, which will be invested in infrastructure assets in India and across the globe.
- Abertis Infraestructuras SA, a Spanish infrastructure firm, has agreed to buy two toll road assets in operation in South India from Macquarie Group for Rs 1,000 crore (US\$ 151 million) to scale up its presence in India.
- GVK Power & Infrastructure Ltd won the bid to develop Mumbai's second airport in Navi Mumbai for Rs 16,000 crore (US\$ 2.39 billion).
- UAE-based Gamma Group, outlined plans of investing around Rs 3,000 crore (US\$ 453 million) in the infrastructure, health and education sectors of Kerala.
- skyTran Inc., a NASA technology partner specialising in developing pod car systems for urban transport, plans to build a one-kilometre pilot track in India at its own cost as per the requirement of the government, which has shortlisted skyTran as one of the three companies chosen to build pod cars on trial basis.
- Infrastructure Leasing and Financial Services Ltd (IL&FS) and global private equity (PE) firm Lone Star plan to jointly invest US\$ 550 million in stressed infrastructure projects in India.

##### Government Initiatives

The Road Transport & Highways Ministry has invested around Rs 3.17 trillion (US\$ 47.7 billion), while the Shipping Ministry has invested around Rs 80,000 crores (US\$ 12.0 billion) in the past two and a half years for building world class highways and shipping infrastructure in the country. The Government of India is expected to invest highly in the infrastructure sector, mainly highways, renewable energy and urban transport, prior to the general elections in 2019.

A total of 6,604 km out of the 15,000 km of target set for national highways in 2016-17 has been constructed by

the end of February 2017, according to the Minister of State for Road, Transport & Highways and Government of India.

The Government of India is taking every possible initiative to boost the infrastructure sector. Some of the steps taken in the recent past are being discussed hereafter.

- In the Union Budget 2017-18, the Government of India has taken the following measures for the development of infrastructure.
  - o Increased total infrastructure outlay and defence capital expenditure by 10 per cent and 20.6 per cent to Rs 396,135 crore (US\$ 59.18 billion) and Rs 86,488 crore (US\$ 13.1 billion) respectively, over FY17 revised estimate.
  - o Railway expenditure allocation has increased by 8 per cent to Rs 131,000 crore (US\$ 19.58 billion) for laying down 3,500 km of railway lines in 2017-18.
  - o Affordable housing has been given infrastructure status.
  - o Lock-in period for long-term capital gains on land and buildings has been reduced from three to two years.
- The Government of India launched a City Livability Index on June 23, 2017, which would measure the quality of life in 116 major cities on a set of 79 parameters.
- The Government of India has approved an investment of Rs 67,523 crore (US\$ 10.49 billion) towards urban development in Maharashtra, thereby recording the highest investment outlay towards urban infrastructure in any state in three years.
- The National Highways Authority of India (NHAI) launched its first overseas issue of Masala Bond at the London Stock Exchange in May 2017, attracting bids worth over Rs 3,000 crore (US\$ 465 million), with aim of raising capital for funding the infrastructure projects in India.
- The Union Cabinet, Government of India, has allowed state government agencies to borrow money from bilateral agencies in other countries to fund its infrastructure projects, in a bid to improve the funding options for infrastructure projects in the country.
- Ministry of Housing and Urban Poverty Alleviation, Government of India, launched 352 affordable housing projects worth Rs 38,000 crore (US\$ 5.9 billion) in 53 cities across 17 states for building over 200,000 houses costing Rs 18 lakh (US\$ 27,948) per house on average.
- The Government of India plans to invest Rs 11,421 crore (US\$ 1.77 billion) to improve basic urban infrastructure in 61 cities and towns of Uttar Pradesh, having population exceeding 100,000 each by 2019-20, under the Atal Mission for Rejuvenation and Urban Transformation (AMRUT) scheme. The government has also approved investments in Tamil Nadu (Rs 11,237 crore or US\$ 1.74 billion), Maharashtra (Rs 6,759 crore or US\$ 1.05 billion), Haryana (Rs 2,544 crore or US\$ 394.32 million), Chattisgarh (Rs 2,192 crore or US\$ 339.76 million), Manipur (Rs 180 crore or US\$ 27.90 million) and Sikkim (Rs 39 crore or US\$ 6.05 million) by 2019-20, under the same scheme.
- The Cabinet Committee on Economic Affairs (CCEA), Government of India, has approved the project to widen the Handia-Varanasi section of National Highway-2 in Uttar Pradesh, which would require an investment of Rs 2,147 crore (US\$ 333.36 million).
- The Government of India has sought Parliament's approval for an additional expenditure of Rs 59,978.29 crore (US\$ 8.96 billion) for supporting the government's rural jobs scheme, building rural infrastructure, urban development and farm insurance.
- The Ministry of Shipping plans to undertake development of 37 national waterways (NWs), out of the 111 NWs declared under the National Waterways Act 2016, in the next three years, which would have positive impact on reduction of overall logistics cost.
- The Government of India has laid out a roadmap to complete 23 Priority-I projects by 2016-17, 31 Priority-II projects by 2017-18 and balance 45 Priority-III projects by December 2019 under the Prime Minister Krishi Sinchayee Yojana (PMKSY) and Accelerated Irrigation Benefits Programme (AIBP).
- The Government of India plans to build 8,000 km of pavements and lay more cycle tracks in 106 cities in the next 5 years with an investment of Rs 80,000 crore (US\$ 11.94 billion), in order to reduce carbon footprint in urban areas and promote activities like walking and cycling.

- The Central Electricity Authority (CEA) expects investment in India's power transmission sector to reach Rs 2.6 lakh crore (US\$ 38.85 billion) during the 13th plan (2017-22), and to enhance the transmission capacity of the inter-regional links by 45,700 megawatt (MW).
- The monetisation of 75 publicly funded highway projects of value Rs 35,600 crore (US\$ 5.32 billion) via toll-operate-transfer (TOT) mode will fetch adequate funds to finance road construction of 2,700 km length of roads.\*
- The Indian Railways plans to set up a US\$ 5 billion Railways of India Development Fund (RIDF), which will serve as an institutional mechanism for the Railways to arrange funds from the market to finance various infrastructure projects.
- The Ministry Of Urban Development has approved investment of Rs 2,863 crore (US\$ 433 million) in six states under the Atal Mission for Rejuvenation and Urban Transformation (AMRUT) scheme, for improving basic urban infrastructure over FY 2017-20.
- Airports Authority of India (AAI) plans to increase its capital expenditure for 2017-18 by 25 per cent to Rs 2,500 crore (US\$ 0.37 billion), primarily to expand capacity at 12 airports to accommodate increase air traffic, as per the Chairman of AAI.
- The Government of India and the Asian Development Bank (ADB) have signed US\$ 375 million in loans and grants for developing 800 kilometer (km) Visakhapatnam-Chennai Industrial Corridor, which is the first phase of a planned 2,500 km East Coast Economic Corridor (ECEC).

## Road Ahead

Sweden is interested in smart cities development in India and has put forward a Common Plan of Action for developing sustainable and environment-friendly public transport solutions and solid waste management for the smart cities under development.

The Ambassador of Japan to India, has conveyed Government of Japan's inclination to invest and offer any other feasible support for various ongoing as well as upcoming development and infrastructure projects in the North-Eastern region of India.

Your Company has been successfully working and looking to expand further in the following diversified sectors under EPCM division:

- 1) Ancillary work for roads and highways – erection and installations of directional/safety signages, crash barriers, etc.
- 2) PMC and Man power consultancy
- 3) Exploring niche EPC opportunities overseas specially in African countries
- 4) Making in-roads in defence sector in India
- 5) Water Resources – Auditing & optimizing resources, Restricting pollution – optimization of STPs, Riverbed cleaning, dredging & rejuvenation.
- 6) Telecom: Consolidation and improvement/up gradation of services by operators
- 7) Outdoor Play: Installation of Multiactivity system, open gyms & outdoor activities for Various Municipal Gardens
- 8) Solar: Electrical Works for Solar power plants

## **MEDIA AND ALLIED ACTIVITIES:**

### **Introduction**

The Indian Media and Entertainment (M&E) industry is a sunrise sector for the economy and is making high growth strides. Proving its resilience to the world, the Indian M&E industry is on the cusp of a strong phase of growth, backed by rising consumer demand and improving advertising revenues.

The industry has been largely driven by increasing digitisation and higher internet usage over the last decade. Internet has almost become a mainstream media for entertainment for most of the people.

## Market Dynamics

The Indian media & entertainment sector is expected to grow at a Compound Annual Growth Rate (CAGR) of 13.9 per cent to touch Rs 2.42 trillion (US\$ 37.57 billion) by 2021, while revenues from advertising is expected to grow at 15.3 per cent to Rs 1.08 trillion (US\$ 16.74 billion).

Over FY 2016-21, radio will likely grow at a CAGR of 16.1 per cent, while digital advertising will grow at 30.8 per cent. The largest segment, India's television industry, is expected to grow at a CAGR of 14.7 per cent, while print media is expected to grow at a CAGR of 7.3 per cent.

India is one of the highest spending and fastest growing advertising market globally. The country's expenditure on advertising is expected to grow at 12 per cent to Rs 61,100 crore (US\$ 9.47 billion) in the year 2017. Television segment, which continues to hold highest share of spending, accounts for 41 per cent of the total market share, and is expected to grow by 10.3 per cent in 2017. The advertising spending over the print medium is expected to grow by 5.7 per cent.

The Foreign Direct Investment (FDI) inflows in the Information and Broadcasting (I&B) sector (including Print Media) in the period April 2000 – March 2017 stood at US\$ 6.49 billion, as per data released by Department of Industrial Policy and Promotion (DIPP).

## Recent development/Investments

- PVR Cinemas plans to add around 75 screens across India during FY 2017-18, thereby raising its capacity to 650 screens and has a target to achieve 1,000 screens in India by 2020.
- Hotstar, a digital streaming platform owned by Star India Ltd, has entered into a partnership with Zapr Media Labs, a media tech company based in Bengaluru, to perform analysis on mobile audience that can be leveraged by brands to create personalised communication.
- Bigtree Entertainment Pvt. Ltd, which owns Bookmyshow, has acquired a 75 per cent stake in Townscript, an online event registration and ticketing platform based in Pune.
- PE major Warburg Pincus has purchased 14 per cent stake in India's largest multiplex chain PVR Ltd for Rs 820 crore (US\$ 123 million).
- ITW Consulting, a global sports consulting and management company, has forayed into the Indian market by launching its entertainment, media and communication arm, ITW Playworx, which will be based in Mumbai with offices across Delhi, Bengaluru, Chennai and Kolkata.
- Carnival Cinemas, the third largest cinema multiplex chain in India, has partnered with Odisha government to build 30 entertainment centres or recreation zones over 1-1.5 acres of land in tier-II or tier-III locations of each district.
- Dekkho, an online video streaming platform, has raised US\$ 1.2 million in a seed round from seven angel investors, which will be used for scaling its technology infrastructure and invest in content licensing.
- Amazon has launched its Prime Video service in India at a competitive annual subscription price of Rs 499 (US\$ 7.48), with a one-month free trial, including range of Hollywood as well as international movies, TV Shows and nine Indian original shows, in its content library.
- Reliance Capital, part of Anil Ambani-led Reliance Group, has announced the sale of its radio and television broadcasting businesses under Reliance Broadcast Network to the Zee group for Rs 1,900 crore (US\$ 285 million).

## Government Initiatives

Ministry for Information and Broadcasting, Government of India, has stated that the Indian Media and Entertainment industry, mainly the broadcasting sector, is on the peak of a strong growth phase led by the recent government initiatives like Make in India, Skill India, Digital India and Goods and Services Tax (GST).

The Government of India has supported Media and Entertainment industry's growth by taking various initiatives such as digitizing the cable distribution sector to attract greater institutional funding, increasing FDI limit from

74 per cent to 100 per cent in cable and DTH satellite platforms, and granting industry status to the film industry for easy access to institutional finance.

## Road Ahead

The Indian Media and Entertainment industry is on an impressive growth path. The industry is expected to grow at a much faster rate than the global average rate. TV advertising sector is expected to grow at a CAGR of 11.1 per cent during 2016-21, as against the global average of 2.8 per cent. Cinema in India is estimated to grow at 10.4 per cent compared to global average of 4.4 per cent. Internet video sector is expected to grow at a CAGR of 22.4 per cent while the global average is estimated to be 11.6 per cent. TV subscription will grow at CAGR of 11.6 per cent as against the global average of 1.3 per cent.

The Initiatives taken by your Company to expand in the sector of Media and Allied Activities is as follows:

- 1) Your Company had recently set-up a boutique digital post-production/technical media facility in India, to cater to its domestic and export market; The facility is located in Mumbai and is now successfully running with some award winning projects under its belt.
- 2) Alongside your Company is also continuing to expand its operations via sublet mechanism through strategic partners in various countries.
- 3) Expand its line production streams to develop and create varied content for advertising, internet/IPTV, broadcast and other digital platforms.
- 4) Development of its own Intellectual Properties.
- 5) Taking stakes in three (3) ongoing media concerns viz. 361 Degree Entertainment & Media Private Limited, Sunflower Advertising and Picture Thoughts Production Pvt. Ltd.. 361 Degree is into the business of media management, Research, Film marketing, IPR and Content syndication, whereas, Sunflower Advertising is 30 years old INS accredited full-fledged advertising agency. Picture Thoughts Production is a niche content production company focused on developing and delivering specific commissioned content in various formats like features, shorts, web series, advertisements, advertorials, news/infotainment capsules, musicals, educational, corporate, etc. for its niche clientele and valued audience.

## INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY

The Company has adequate internal control systems to commensurate with the nature and size of business. The system ensures authenticity of authorization and execution of business transactions. Safeguarding of Assets from unauthorized usage forms the core principle of the Company's internal control system. The organizational structure of the Company is designed to establish increasing responsibility with increasing authority. Duplication in decision making and reporting is avoided.

## HUMAN RESOURCES/INDUSTRIAL RELATIONS

The Company strives to create a working ambience that nurtures the talent and enterprise of its workforce. The Management believes that the growth and fulfillment of individual ambitions are necessary for the overall growth of business. The HR policy of the Company is reviewed, revised and updated from time to time to make it relevant, effective and useful to the employees and also to the company. The basic objective is to facilitate the smooth execution of transparent policies. As of March 31, 2017, the Company had around 145 employees on the pay roll of the Company. However, the Company, including its subsidiary companies, keeps on hiring workmen (Skilled and Un-Skilled) on contractual / sub-contractual basis, who assist the on-site engineers and supervisors in EPCM and M&E division.

**FINANCIAL ANALYSIS OF OPERATIONS OF THE COMPANY****Results of Operations****Table 1: Summarized Financial Results**

(Rs. In Lacs)

Particulars	Year ended March 31, 2017		Year ended March 31, 2016	
	Consolidated	Standalone	Consolidated	Standalone
Net Revenue from operations:				
Engineering Procurement Construction Management (EPCM)	27,275.07	25,865.02	19,339.52	19,339.52
Media, Consulting and allied services	4,972.53	4,887.86	5,487.68	5,463.27
<b>Total Revenue from operations</b>	<b>32,247.60</b>	<b>30,752.88</b>	<b>24,827.20</b>	<b>24,802.79</b>
Other Income	11.72	11.58	870.20	870.20
<b>Total expense other than Finance Cost, Depreciation and amortization</b>	<b>29,871.70</b>	<b>28,248.25</b>	<b>23,085.03</b>	<b>23,059.35</b>
Earnings before Finance Cost, Depreciation, amortization and tax (EBIDTA)	2,387.62	2,516.21	2,612.37	2,613.64
Depreciation & amortization	116.10	115.38	132.90	132.63
Earnings before Finance Cost and Tax	2,271.52	2,400.83	2,479.47	2,481.01
Finance costs (net)	483.89	483.63	320.63	320.56
Profit before tax (PBT)	1,787.63	1,917.20	2,158.84	2,160.45
Tax expenses	667.03	665.59	748.28	747.95
Profit after tax (PAT)	1,120.60	1,251.61	1,410.56	1,412.50
Basic earnings per share (₹)	0.98	1.09	1.35	1.35
Diluted earnings per share	0.98	1.09	1.38	1.38

**Turnover**

During the year ended March 31, 2017 the Company's total revenue is **Rs.30,764.46 Lacs** as against **Rs. Rs.25,672.99 lacs** in the previous period.

**Analysis of Income from Operations**

During the year under review, income from Engineering Procurement and Construction Management was **Rs. 25,865.02 Lacs** as compared to **Rs. 19,339.52 Lacs** during the previous year. During the year under review, income from Media consulting and allied services was **Rs. 4,887.86 Lacs** as compared to **Rs 5,463.27 Lacs** during the previous year. The Contribution of EPCM sector to total revenue decreased from 84.07% during the previous year to 81.10% for the year under review.

**Other Income**

Other income for the year is **Rs. 11.58 Lacs** against **Rs. 870.20 Lacs** in the previous year. As was the case last year, for the year under review, Income from foreign exchange fluctuations and interest income are major contributors to other income of the Company.

**Other expenses**

During the year, other expenses were **Rs.764.81** as against **Rs. 1,368.79 Lacs** in the previous period.

**Earnings before Interest, Depreciation, Tax and Amortization (EBIDTA)**

The EBIDTA for the year is **Rs. 2,516.21 Lacs** as against **Rs. 2,613.14 Lacs** in the previous period.

## Finance Costs

Comparative increase in interest expense was due to higher interest rates and increase in loans.

## Depreciation & Amortization

The depreciation for the year is **Rs.115.38 lacs** as against **Rs. 132.63 lacs** in the previous period. Increase in depreciation cost is on account of fixed assets of Rs. 16.56 lacs purchased by the Company.

## Tax Expenses

In view of profits, the current tax expense incurred by the Company is Rs.665.59 and during the previous financial year to Rs. 747.95 Lacs was incurred by the Company.

## Balance Sheet

The summarized Balance Sheet as at March 31, 2017 is given in Table 11.

Summarized Balance Sheet

	(Rs. In Lacs)	
Particulars as at	March 31, 2017	March 31, 2016
<b>EQUITY AND LIABILITIES</b>		
Shareholders' Fund:		
Share capital	1,151.16	1,046.51
Share / Warrant Application Money		-
Reserves and surplus	9,216.56	8,248.50
<b>Sub total</b>	<b>10,367.72</b>	<b>9,295.01</b>
Non-current liabilities		
Long-term borrowings	-	-
Deferred Tax Liabilities (net)	-	-
Sub total	-	-
Current liabilities		
Short-term borrowings	-	-
Trade payables	8,378.60	10,730.92
Other current liabilities	774.42	564.23
Bank Borrowing	4,888.79	3,321.22
Short-term provisions	853.08	911.61
Sub total	14,894.90	15,527.98
<b>TOTAL</b>	<b>25,262.62</b>	<b>24,822.99</b>
<b>ASSETS</b>		
Non-current assets		
Net Fixed Assets	544.60	643.42
Non- Current Investments	2.49	2.49
Deferred Tax Assets (Net)	7.15	9.24
<b>Sub total</b>	<b>554.24</b>	<b>655.15</b>
Current assets		
Inventories	1,234.95	1,208.94
Trade receivables	15,928.25	16,112.86
Cash and bank balances	129.32	567.85
Other current assets	1,183.65	955.87

Particulars as at	March 31, 2017	March 31, 2016
Loans and advances	6,232.21	5322.42
<b>Sub total</b>	<b>24,708.38</b>	<b>24,167.84</b>
<b>TOTAL</b>	<b>25,262.62</b>	<b>24,822.99</b>

### Share Capital

The entire share capital of the Company is listed and traded on BSE Limited and National Stock Exchange of India Limited.

### Reserves and Surplus

For the period under review, the Company has transferred **Rs. 9,216.56 Lacs** to General Reserve as compared to **Rs. 8,248.50 Lacs** transferred for the previous year.

### Fixed Assets

Gross Block has increased to **Rs. 659.98 Lacs** from **Rs. 776.05 Lacs** on account of routine capitalization.

### Cautionary Statement

Some of the statements in this management discussion and analysis describing the Company's objectives, projections, estimates and expectations may be 'forward looking statements' within the meaning of applicable laws and regulations. Actual results might differ substantially or materially from those expressed or implied. Important developments that could affect the Company's operations include a downtrend in industry, significant changes in political and economic environment in India and abroad, tax laws, import duties, litigation and labour relations.

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# CORPORATE GOVERNANCE

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## Corporate Governance Report

High Ground Enterprise Limited (HGEL) looks at Corporate Governance requirements as an integral part of business strategy which contributes to business growth in ethical perspective. Besides complying with the prescribed corporate practices as per Regulations of SEBI (Listing Obligations And Disclosure Requirements) Regulations, 2015, This chapter, along with the chapters on Management Discussion and Analysis and Additional Shareholders Information, reports High Ground Enterprise Limited compliance with regulations highlighting the additional initiatives taken in line with best practices.

Corporate Governance refers to the set of systems, principles and processes by which a Company is governed. They provide the guidelines as to how the Company can be directed or controlled so as to fulfill its goal and objectives in a manner that adds to the value of the Company and benefit to all stakeholders in the long term. Stakeholders in this case would include everyone ranging from the Board of Directors, management, shareholders to customers, suppliers, financiers, employees and society at large. Strong and improved Corporate Governance practices are indispensable in today's competitive world and complex economy.

### The Company's Philosophy

The Company's philosophy of corporate governance is to achieve business excellence by enhancing the long-term welfare of all its stakeholders. The Company believes that corporate governance is about creating organizations that succeed in the marketplace with the right approach and values. This will enhance the value for all its stakeholders.

Corporate Governance has been considered as a business strategy as this adds considerable value to the Company both internally and externally. The Corporate Governance principles implemented by HGEL seeks to protect, recognize and facilitate shareholders rights and ensure timely and accurate disclosure to them. Ideal governance practices have rewarded the Company with improved share valuations, stakeholder's confidence, improved market capitalization. These have helped HGEL to pay uninterrupted dividends from last 3 years (including a dividend recommended by the Board in the current year) to its shareholders.

## THE GOVERNANCE STRUCTURE

### Board of Directors

According to Regulation 17(1) of SEBI (Listing Obligations And Disclosure Requirements) Regulations, 2015, the Board of Directors of the Company shall have an optimum combination of Executive and Non Executive Directors with not less than fifty percent of the Board of Directors comprising of Non – Executive Directors. Further if the Chairman of the Board is an Executive Director, at least half of the Board should comprise of Independent Directors. As Table below shows, both these provisions are met by your Company.

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 SEBI (LODR) Regulations, 2015 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 R Arora, Chairman & Managing Director	Executive	Non Independent Director
2.	Mr. Chintan Kapadia, Whole Time Director	Executive	Non Independent Director
3.	Mr. Arunkumar Tyagi, Whole Time Director	Executive	Non Independent Director
4.	Mr. Anupam Kumar	Non-Executive	Independent
5.	Ms. Sonia Khenduja	Non-Executive	Independent

6.	Mr. Mataprasad Bulakidas Sharma	Non-Executive	Independent
7.	Mr. Sudhir Vinayak Yashwantrao	Non-Executive	Independent
8.	#Mr. Ajit Sharma Kamal	Non-Executive	Independent
9.	*Mr. Paul Anthony Taylor	Non-Executive	Independent

# Ajit Sharma, has resigned from the Directorship of the Company w.e.f. August 17, 2016.

\* Paul Anthony Taylor, has resigned from the Directorship of the Company w.e.f June 9, 2017

## Board Procedure:

### a.) Composition of Board of Directors

The Board of Directors of the Company met 19 (Nineteen) times during the financial year on the following dates May 30, 2016, August 01, 2016, August 13, 2016, August 16, 2016, August 17, 2016, September 01, 2016, September 28, 2016, October 13, 2016, October 21, 2016, October 28, 2016, November 14, 2016, November 24, 2016, November 26, 2016, November 28, 2016, January 18, 2017, January 20, 2017, January 24, 2017, February 13, 2017 and February 23, 2017. The maximum gap between any two meetings was less than one hundred and twenty days, as stipulated under SEBI (Listing Obligations And Disclosure Requirements) Regulations, 2015 and under the provision of the Companies Act, 2013.

The information as required under the Regulations of SEBI (Listing Obligations And Disclosure Requirements) Regulations, 2015 is made available to the Board. The agenda and the papers for consideration at the Board Meeting are circulated to the Directors within the stipulated time limit. Adequate information is circulated as part of the Board Papers and is also available at the Board Meeting to enable the Board to take decisions. As required under Regulations 27(2) of SEBI (Listing Obligations And Disclosure Requirements) Regulations, 2015, the Board periodically reviews compliances of various laws applicable to the Company.

Directors' Attendance Record and their other Directorships/ Committee Memberships, as mandated by Regulations 27(2) of SEBI (Listing Obligations And Disclosure Requirements) Regulations, 2015, none of the Director is a member of more than ten Board level Committees or Chairman of more than five Committees across companies in which he/she is a Director. Relevant details of the Board as on March 31, 2017 are 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
Sandeep Ramkrishna Arora	Chairman & Managing Director-Executive	19	Attended	Nil	Nil	Nil	Nil
Chintan Arvind Kapadia	Whole Time Director- Executive	19	Attended	Nil	Nil	Nil	Nil
Anupam Kumar	Independent	07	-	Nil	Nil	Nil	Nil
*Paul Anthony Taylor	Independent	00	-	Nil	Nil	Nil	Nil
Sonia Khenduja	Independent	15	-	Nil	Nil	Nil	Nil
#Ajit Sharma Kamal	Independent	05	-	Nil	Nil	Nil	Nil
Arunkumar Tyagi	Whole Time Director- Executive	11	-	Nil	Nil	Nil	Nil
Sudhir V. Yashwantrao	Independent	12	-	Nil	Nil	Nil	Nil
Mataprasad B. Sharma	Independent	12	-	Nil	Nil	Nil	Nil

# Ajit Sharma, has resigned from the Directorship of the Company w.e.f. August 17, 2016.

\* Paul Anthony Taylor, has resigned from the Directorship of the Company w.e.f June 9, 2017

### Limit on the number of Directorships

In compliance with 27 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Directors on the Board of the Company does not serve as Independent Directors in more than 7 Listed Companies or in case he/she is serving as a Whole Time Director in any Listed Company, does not hold such position in more than 3 Listed Companies.

### Independent Directors

As mandated by SEBI (Listing Obligations And Disclosure Requirements) Regulations, 2015, the Independent Directors on High Ground Enterprise Limited Board:

- a. Are persons of integrity and possess relevant expertise and experience
- b.
  - i. Are not a Promoter of the Company or its holding, subsidiary or associate company;
  - ii. Are not related to Promoters or Directors in the Company, its holding, subsidiary or associate Company
- c. Apart from receiving Directors Remuneration by way of sitting fees, have no material pecuniary relationship with the Company, its holding, subsidiary or associate company, or their Promoters, or Directors, during the two immediately preceding financial years or during the current financial year;
- d. None of their relatives have or had pecuniary relationship or transaction with the company, its holding, subsidiary or associate company, or their Promoters, or Directors, amounting to two percent or more of its gross turnover or total income or fifty lakh rupees or such higher amount as may be prescribed, whichever is lower, during the two immediately preceding financial years or during the current financial year;
- e. Neither themselves nor any of their relatives —
  - i. hold or have held the position of a Key Managerial Personnel or are or have been employee of the company or its holding, subsidiary or associate company in any of the three financial years Immediately preceding the financial year in which they are proposed to be appointed;
  - ii. are or have been an employee or proprietor or a partner, in any of the three financial years immediately preceding the financial year in which they are proposed to be appointed, of —
- a) a firm of Auditors or Company Secretaries in practice or Cost Auditors of the company or its holding, subsidiary or associate company; or
- b) any legal or a consulting firm that has or had any transaction with the company, its holding, subsidiary or associate company amounting to ten percent or more of the gross turnover of such firm;
- iii. hold together with their relatives two percent or more of the total voting power of the company; or
- iv. is a Chief Executive or Director, by whatever name called, of any Non-Profit Organization that receives twenty-five percent or more of its receipts from the Company, any of its Promoters, Directors or its holding, subsidiary or associate company or that holds two percent or more of the total voting power of the company;
- v. is a material supplier, service provider or customer or a lessor or lessee of the company;
- f. is not less than 21 years of age.

### Maximum tenure of Independent Directors

In accordance with Section 149(11) of the Companies Act, 2013, the tenure of Independent Directors of the Company is for a term of 5 consecutive years from the date of their appointment.

### Formal Letter of appointment to Independent Directors

In accordance with 27(2) of SEBI (Listing Obligations And Disclosure Requirements) Regulations, 2015, the Company has issued formal letters of appointment to all the Independent Directors.

### Code of Conduct

Commitment to ethical professional conduct is a must for every employee, including Board members and Senior Management Personnel of High ground Enterprise Limited. The Code is intended to serve as a basis

for ethical decision-making in conduct of professional work. The Code of Conduct enjoins that each individual in the organization must know and respect existing laws, accept and provide appropriate professional views, and be upright in his conduct and observe corporate discipline. The duties of Directors including duties as an Independent Director as laid down in the Companies Act, 2013 also forms part of the Code of Conduct.

The Code of Conduct is available on the website of the Company [www.highgroundenterprise.com](http://www.highgroundenterprise.com). All Board members and Senior Management Personnel affirm compliances with the Code of Conduct annually.

## COMMITTEES OF THE BOARD

### 6. AUDIT COMMITTEE:

#### Composition

As on March 31, 2017, the Audit Committee comprises of the following 3 Independent Directors:

- **Ms. Sonia Khenduja**
- **Mr. Mataprasad B. Sharma**
- **Mr. Sandeep R. Arora**

#### Meetings and Attendance

During the financial year 2016-17, the Audit Committee met 4 times on May 30, 2016, August 13, 2016, November 14, 2016 and February 13, 2017. The time gap between any two meetings was less than 120 days.

The details of attendance of the Committee meetings are given below:

Name of the Member	Category	Status	Meeting Attended	
			Held	Attended
Ms. Sonia Khenduja	Independent	Chairman	4	4
Mr. Mataprasad B. Sharma	Independent	Member	4	4
Mr. Sandeep R. Arora	Non-Independent	Member	4	4

#### i. Terms of Reference

The Board of Directors has constituted and re-constituted the Audit Committee from time to time to commensurate with the requirements of Section 177 of the Companies Act, 2013 and 27 of SEBI (Listing Obligations And Disclosure Requirements) Regulations, 2015.

#### ii. Power of Audit Committee:

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

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

#### iii. Role of Audit Committee:

The role of the Audit Committee is as under;

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

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

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

- a) Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
- b) Reviewing with management the annual financial statements before submission to the board for approval, with particular reference to:
  - i) Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of sub-section (5) of Section 134 of the Companies Act, 2013
  - ii) Changes, if any, in accounting policies and practices and reasons for the same.
  - iii) Major accounting entries involving estimates based on the exercise of judgment by management.
  - iv) Significant adjustments made in the financial statements arising out of audit findings.
  - v) Compliance with listing and other legal requirements relating to financial statements.
  - vi) Disclosure of Related Party Transactions.
  - vii) Modified opinions in draft Audit Report.
- c) Reviewing/examine, with the Management, the quarterly/year to date Financial Statements and Auditors Report thereon, before submission to the Board for approval.
- d) Reviewing, with the Management, performance of statutory and Internal Auditors, internal financial controls, Risk Management System and adequacy of the internal control systems.
- e) Reviewing the adequacy of Internal Audit function, if any, including the structure of the Internal Audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of the Internal Audit.
- f) Discussion with Internal Auditors any significant findings and follow up thereon.
- g) Reviewing the findings of any internal investigations by the Internal Auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.
- h) Discussion with Statutory Auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.

- i) To look into the reasons for substantial defaults in payment to the depositors, debenture holders, shareholders (in case of non- payment of declared dividends) and creditors.
- j) To review the functioning of the Whistle Blower Mechanism,
- k) Approval of appointment of CFO (i.e. the Whole-Time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience & background, etc. of the candidate.
- l) Carrying out any other function(s) as is mentioned in the terms of reference of the Audit Committee.

#### **iv. Review of information by Audit Committee:**

The audit committee shall mandatorily review the following information:

1. Management discussion and analysis of financial conditions and results of operations.
  2. Statement of significant Related Party Transaction (as defined by Audit Committee) submitted by the Management.
  3. Management letters/letters of internal control weaknesses issued by the Statutory Auditors.
  4. Internal Audit Reports relating to internal control weaknesses and
  5. Appointment, removal and terms of remuneration of the internal auditors shall be subject to the minutes of the Audit Committee meeting form part of documents placed before the meeting of the Board of Directors.
- In addition the Chairman of the Audit Committee appraises the Board members about the significant discussion at the Audit Committee Meeting.

#### **Broad Terms of reference:**

The Terms of Reference of Audit Committee cover the matters specified for Audit Committee under 27(2) of SEBI (Listing Obligations And Disclosure Requirements) Regulations, 2015 as well as in Section 177 of the Companies Act, 2013. The power and role of Audit Committee is as prescribed under Clause SEBI (LODR) Regulations, 2015 and Section 177 of the Companies Act, 2013.

### **CORPORATE SOCIAL RESPONSIBILITY (CSR) COMMITTEE**

#### **Composition**

The Corporate Social Responsibility (CSR) Committee has been constituted by the Board of Directors. As on March 31, 2017, the Committee consists of the following 3 members:

- **Mr. Sandeep R. Arora**
- **Mr. Chintan Kapadia**
- **Ms. Sonia Khenduja**

#### **Meetings and attendance during the year:**

During the financial year 2016-17 the meeting of the committee was held on May 30, 2017, the details of the attendance is mentioned below:

Name of the Member	Category	Status	Meeting Attended	
			Held	Attended
Mr. Sandeep R. Arora	Non-Independent	Chairman	1	1
Mr. Chintan Kapadia	Non-Independent	Member	1	1
Ms. Sonia Khenduja	Independent	Member	1	1

#### **The role of the CSR Committee is as under:**

- Formulate and recommend to the Board, a CSR Policy which shall indicate the activities to be undertaken by the Company in compliance with the Companies Act, 2013 and rules thereunder.
- Recommend the amount of expenditure to be incurred on the activities as above, and

- Monitor the CSR Policy of the company from time to time. The Company has formulated the CSR Policy in line with Schedule VII of the Companies Act, 2013.

## **STAKEHOLDER RELATIONSHIP COMMITTEE**

### **Composition:**

As on March 31, 2017, the Stakeholders Relationship Committee consists of the following 3 members:

- **Mr. Mataprasad B. Sharma**
- **Mr. Sudhir V. Yashwantrao**
- **Ms. Sonia Khenduja**

### **Meetings and attendance during the year:**

During the financial year 2016-17, the Stakeholder Relationship Committee met 4 times on May 30, 2016, August 13, 2016, November 14, 2016 and February 13, 2017.

The details of attendance of the Committee meetings are given below:

Name of the Member	Category	Status	Meeting Attended	
			Held	Attended
Mr. Mataprasad B. Sharma	Independent	Chairman	4	4
Mr. Sudhir V. Yashwantrao	Independent	Member	4	4
Ms. Sonia Khenduja	Independent	Member	4	4

The Committee ensures cordial investor relations and oversees the mechanism for redressal of investors grievances. The Committee specifically looks into redressing shareholders'/ investors' complaints/ grievances pertaining to share transfers, non-receipts of annual reports, non- receipt of dividend and other allied complaints.

### **The Committee performs the following functions:**

- Transfer/ transmission of shares.
- Split up/ sub-division and consolidation of shares.
- Dematerialization/ rematerialization of shares.
- Issue of new and duplicate share certificates.
- Registration of Power of Attorneys, Probate, Letters of transmission or similar other documents.
- To open/ close bank account(s) of the Company for depositing share/ debenture applications, allotment and call monies, authorize operation of such account(s) and issue instructions to the Bank from time to time in this regard.
- To look into redressal of shareholders and investors' complaints like transfer of shares, non- receipt of annual report, non- receipt of declared dividends, etc.
- Any allied matter(s) out of and incidental to these functions and not herein above specifically provided for.

### **Investor Grievance Redressal:**

Details of complaints received and resolved by the Company during the financial year 2016-17 are given below:

Complaints	Numbers
Pending at the beginning of the Year	1 (One)
Received during the Year	3 (Three)
Disposed off during the Year	4 (Four)
Un resolved at the end of the Year	Nil



## NOMINATION & REMUNERATION COMMITTEE

In compliance with Section 178 of the Companies Act, 2013 and 27(2) of SEBI (Listing Obligations And Disclosure Requirements) Regulations, 2015 the composition of "Nomination and Remuneration Committee" are as follows as on March 31, 2017:

### Composition

- **Mr. Sudhir V. Yashwantrao**
- **Mr. Mataprasad B. Sharma**
- **Ms. Sonia Khenduja**

### Meetings and attendance during the year:

During the financial year 2016-17, the Nomination and Remuneration Committee met 1 times on September 1, 2016

The details of attendance of the Nomination and Remuneration Committee meetings are as under:

Name of the Member	Category	Status	Meeting Attended	
			Held	Attended
Mr. Sudhir V. Yashwantrao	Independent	Chairman	1	1
Mr. Mataprasad B. Sharma	Independent	Member	1	1
Mr. Sonia Khenduja	Independent	Member	1	1

### The roles and responsibilities of the Committee include the following:

1. Formulate the criteria for determining qualifications, positive attributes and independence of a Director.
2. Identifying persons who are qualified to become Directors and who may be appointed in Senior Management in accordance with the criteria laid down, recommend to the Board their appointment and removal.
3. Formulate the criteria for evaluation of Director's and Board's performance and to carry out the evaluation of every Director's performance.
4. Devising a policy on Board diversity.
5. To engage the services of consultants and seek their help in the process of identifying suitable person for appointments to the Board.
6. To decide the remuneration of consultants engaged by the Committee.
7. Framing, recommending to the Board and implementing, on behalf of the Board and on behalf of the Shareholders, policy on remuneration of Directors, Key Managerial Personnel (KMP) & other Employees.
8. To ensure that the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate Directors and KMP of the quality required to run the Company successfully.
9. To ensure that relationship of remuneration to performance is clear and meets appropriate performance benchmarks.
10. To ensure that remuneration to Directors, Key Managerial Personnel and Senior Management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the Company and its goals.

### Remuneration Policy:

The remuneration paid to Executive Directors of the Company is approved by the Board of Directors on the recommendations of the Nomination and Remuneration Committee. The Company's remuneration strategy is market-driven and aims at attracting and retaining high caliber talent. The strategy is in consonance with the existing industry practice and is directed towards rewarding performance, based on review of achievements, on a periodical basis.

## Remuneration to Executive Directors:

The Managing Director and the Whole Time Director of the Company are being paid in accordance with the provisions contained in the Companies Act, 2013. The appointment and terms of employment are governed by the Articles of Association of the Company and Resolution passed by the Shareholders of the Company. The Company pays remuneration to Managing Director and Whole Time Director as per approvals given by the Board of Directors and Shareholders of the Company vide their respective meetings.

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

The details of the remuneration paid by the Company to its Directors for the year ended March 31, 2017 alongwith their relationships with each other is as under:

### Details of Remuneration in Rupees paid or payable to Directors for the year ended March 31, 2017

Name of Directors	Relation ship with the Directors	Sitting Fees & Remuneration (Rs.)(p.a)	Total (Rs.) (p.a.)	No of Shares held
Chintan Arvind Kapadia	None	26,00,000/-	26,00,000/-	11,00,000
Sandeep R. Arora	None	48,00,000/-	4800000/-	22,49,632
Anupam Kumar	None	-	-	-
Paul Anthony Taylor	None	-	-	-
Sonia Khenduja	None	1,80,000/-	1,80,000/-	-
#Ajit Sharma Kamal	None	75,000/-	75,000/-	-
Arunkumar Tyagi	None	-	-	-
Sudhir V. Yashwantrao	None	90,000/-	90,000/-	-
Mataprasad B. Sharma	None	90,000/-	90,000/-	-

## MANAGEMENT

### Management Discussion and Analysis

The Annual Report has a detailed chapter on Management Discussion and Analysis, which forms part of this report.

## DISCLOSURES

- 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. 2.13 of notes to accounts under the head of Disclosure under Accounting Standard.

The Related Party Transactions are in accordance with relevant provisions of Companies Act, 2013 and Regulation 27 of the SEBI (LODR) Regulations Act, 2015. Related Party Transactions are approved by the Audit Committee prior to the transaction.

During the Financial Year 2016-17, there were Related Party Transactions, either as per Companies Act, 2013 or Regulation 27 of the SEBI (LODR) Regulations Act, 2015 which were required to be approved by the Board of Directors or the Shareholders of the Company.

- Disclosure of accounting treatment in preparation of financial statements**

The Company has followed prescribed Accounting Standards as laid down by the Institute of Chartered Accountants of India (ICAI) in preparation of its financial statements.

- Details of non-compliance by the Company**

HGEL has complied with all the requirements of regulatory authorities. No penalties/strictures were

imposed on the Company by Stock Exchanges or SEBI or any Statutory Authority on any matter related to capital market during the last three years. The Company has paid the requisite listing fees to the Bombay Stock Exchange.

- **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.

#### **WHISTLE-BLOWER POLICY / VIGIL MECHANISM**

- Allow and encourage stakeholders to bring to the management notice concerns about unethical behavior, malpractice, wrongful conduct, actual or suspected fraud or violation of policies.
- Ensure timely and consistent organizational response.
- Build and strengthen a culture of transparency and trust.
- Provide protection against victimization.

The above mechanism has been appropriately communicated within the Company across all levels.

#### **PREVENTION OF SEXUAL HARASSMENT POLICY:**

The Company is committed to provide a protective environment at workplace for all its women employees. To ensure that every woman employee is treated with dignity and respect and as mandated under "The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 the Company has in place a formal policy for prevention of sexual harassment of its women employees.

#### **SHARE TRANSFERS:**

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

There were no applications for share transfer pending as at 31st March, 2017.

#### **CEO/CFO CERTIFICATION**

The CEO and CFO certification on the financial statements and the cash flow statement for the year is placed at the end of this report.

#### **INVESTORS COMPLAINTS**

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

Nature of complaint	Complaints received	Complaints redressed	Complaints Pending
Non-receipt of share certificates	-	-	-
Non-receipt of dividend/interest warrant	2	2	0
Non-receipt of annual report	-	-	-
Non-completion of transfer procedure	-	-	-
Others	2	2	0
<b>Total</b>	<b>4</b>	<b>4</b>	<b>0</b>

## MEANS OF COMMUNICATION WITH SHAREHOLDERS

**Financial Results:** HGEL recognizes communication as a key element of the overall Corporate Governance framework, and therefore emphasizes on prompt, continuous, efficient and relevant communication to all external constituencies.

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

**Annual Report:** Physical copy of the Annual Report 2016-17, containing inter-alia, salient features of the audited Financial Statements, Director's Report (including Management Discussion and Analysis and Corporate Governance Report) was sent to all shareholders who had not registered their email ids for the purpose of receiving documents/ communication from the company in electronic mode.

**Website:** The Company's website is developed by the name www.highgroundenterprise.com. The quarterly, half yearly and annual financial results, are promptly and prominently displayed on the website. Annual Reports, Quarterly Corporate Governance Report, Shareholding Pattern and other Corporate Communications made to the Stock Exchanges are also available on the website.

**SCORES (SEBI complaints redressal system):** SEBI processes investor complaints in a centralized web based complaints redressal system i.e. SCORES. Through this system a shareholder can lodge complaint against a company for his grievance. The Company uploads the action taken on the complaint which can be viewed by the shareholder. The Company and shareholder can seek and provide clarifications online through SEBI.

## INVESTOR RELATIONS

Investor Relations (IR) at HGEL aims at providing accurate, transparent and timely information to the investors and serve as a bridge for two-way communication. The investor interactions act as a channel of two way communication and the investors feedback is given due consideration by the Company's management. There is a conscious effort towards effective dissemination of information to the financial community and shareholders to enable them to make a well considered decision.

## GENERAL BODY MEETINGS

Details of the last three General Body Meetings held are given below:

Financial Year	Category	Location of the Meeting	Date & Time
2013-14	AGM	Court Yard Space, 2 <sup>nd</sup> floor Om Heera Panna Mall, Oshiwara. Andheri (West) Mumbai-400053	27.09.2014; 11.30 a.m
2014-15	AGM	Svenska Design Hotels, Kaza Banquets , SAB TV Road, Off Link Road, Andheri West, Mumbai 400053	21.09.2015; 4.30 p.m
2015-16	AGM	Svenska Design Hotels, Kaza Banquets , SAB TV Road, Off Link Road, Andheri West, Mumbai 400053	27.09.2016: 4.00 p.m

The following special resolutions were taken up in the last three AGMs and were passed with requisite majority

### 27.09.14

- Revision in terms of appointment of Mr. Sandeep R. Arora, as Managing Director of the Company.
- Approval for re-appointment of Mr. Chintan Kapadia(DIN: 01639589) as an Whole Time Director of the Company, for a period of 5 (five) years w.e.f. October 20, 2014.
- Approval u/s 180 (1) (c) of the Companies Act, 2013 restricting the borrowing limit till 50 crore
- Approval u/s188 of the Companies Act, 2013 to pay a monthly rent of Rs. 4,00,000/- per month to

Mr. Sandeep R. Arora, Chairman and Managing Director of the company, for the premises owned by him, to facilitate the business of the Company

#### 21.09.2015

- Appoint a Director in place of Mr. Sandeep R. Arora (DIN No. 02587811), who retires by rotation and being eligible, offers himself for re-appointment.
- Declare dividend for the financial year ended March 31, 2015
- Appointment of Mr. Ajit K. Sharma (DIN: 03223934) as a Non Executive Independent Director.
- Appointment of Ms. Sonia Khenduja (DIN- 06985629) as Non- Executive Independent Director.
- Re-appointment of Mr. Sandeep R. Arora (DIN- 02587811) as Managing Director of the Company.
- Allotment of shares on Preferential basis to Non-promoter

#### 27.09.2016

- Increase in Authorized Share Capital of the Company from Rs. 110,000,000/- (Rupees Eleven Crores) divided into 110,000,000 (Eleven Crore) Equity shares of Re. 1/- (One) each to Rs. 150,000,000/- (Fifteen Crore) divided into 150,000,000 (Fifteen Crores) Equity shares of Re. 1/- each ranking pari passu with the existing Shares of the Company.
- Issuance of Bonus shares to its existing shareholders in the ratio of 10:1 or in the proportion of 1 (One) Bonus share for every 10(Ten) existing Fully paid Equity share held by them respectively as on Record date.
- Appointment of Mr. Sudhir Yashwantrao (DIN: 07604277) as a Non Executive Independent Director.
- Appointment of Mr. Mataprasad Sharma (DIN: 07602766) as a Non Executive Independent Director.
- Appointment of Mr. Arunkumar Tyagi (DIN- 05195956) as Whole - Time Director of the Company.

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

Financial Year	Category	Location of the Meeting	Date & Time
2013-14	N.A	N.A	N.A
2014-15	N.A	N.A	N.A
2015-16	N.A	N.A	N.A
2016-17	Extra-Ordinary General Meetings (Postal Ballot)	At the Registered office of the Company	November 26, 2016 through Postal Ballot

#### ADDITIONAL SHAREHOLDER INFORMATION

##### Annual General Meeting

Date: September 26, 2017

Time: 4.00 p.m.

Venue: Svenska Design Hotels

Kaza Banquets , SAB TV Road

Off Link Road, Andheri West,

Mumbai 400053

##### Financial Year: 1st April, 2017 to 31st March, 2018

Particulars	Tentative dates
30th June, 2017	By 14th August, 2017
30th September, 2017	By 14th November, 2017.
31st December, 2017	By 13th February, 2018
Audited annual results for the year ending 31st March, 2018	By 30th May, 2018

**Date of book closure**

The dates of Book Closure are from the September 20, 2017 to September 26, 2017 inclusive of both days.

**Listing on Stock Exchanges**

The Company's shares are listed on BSE Limited & National Stock Exchange of India Limited. Listing fees to the BSE Limited & National Stock Exchange of India Limited, Mumbai has been paid for the year 2017-18.

**Stock Code & ISIN:**

Stock Code 517080

ISIN No- INE361M01021

**Market Price Data:**

The securities of the Company have been recently traded on the Stock exchange where the securities are listed, therefore the Monthly high and low quotations as well as the volume of shares traded during the entire financial year 2015-16 are given as follows.

Month	Share price on BSE		Volume (No. of shares)
	High	Low	
Apr-16	66.00	52.05	28,91,203
May-16	64.40	53.00	26,34,619
Jun-16	63.45	35.50	47,73,099
Jul-16	43.40	33.10	35,18,735
Aug-16	44.00	33.25	16,48,362
Sep-16	41.00	28.05	7,74,689
Oct-16	46.45	27.60	30,33,185
Nov-16	45.90	27.50	34,92,219
Dec-16	44.25	32.90	16,59,185
Jan-17	38.00	27.00	15,23,602
Feb-17	40.00	27.00	27,66,316
Mar-17	32.35	21.00	52,20,190

Month	Share price on NSE		Volume (No. of shares)
	High	Low	
Apr-16	-	-	-
May-16	-	-	-
Jun-16	-	-	-
Jul-16	-	-	-
Aug-16	-	-	-
Sep-16	-	-	-
Oct-16	-	-	-
Nov-16	45.00	42.10	86,949
Dec-16	34.75	32.60	87,293
Jan-17	29.00	27.30	44,685
Feb-17	29.65	27.55	5,85,736
Mar-17	32.75	28.50	73,61,994

## Registrar and Transfer Agent (RTA)

RCMC Share Registry Pvt. Ltd.

B-25/1, First Floor, Okhla Industrial Estate,

Phase - II, New Delhi – 110020

Fax no-0120-2444346.

e-mail id- shares@rcmcdelhi.com

## 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

## Distribution of Shareholding

Shareholding pattern by size as on March 31, 2017 as per Registrar of Transfer Agent (RTA)

Shareholding Of Nominal Value		Share Holders		Share Amount	
Rs.	Rs.	Number	% to Total	Number	Rs.
Upto	- 5,000	4362	89.06	4232637	4232637
5,001	- 10,000	236	4.82	1520377	1520377
10,001	- 20,000	103	2.10	1365618	1365618
20,001-	30,000	91	1.86	2108931	2108931
30,001-	40,000	21	0.43	718420	718420
40,001-	50,000	10	0.19	438101	438101
50,001-	1,00,000	38	0.78	2475528	2475528
1,00,000 and above		37	0.76	102256337	102256337
Total		4898	100.00	115115949	115115949

## Distribution of Shareholding Pattern as on 31<sup>st</sup> March, 2017.

Category	No. of shares held	Percentage of shareholding
Promoters	55952468	48.61
Mutual Funds and UTI	1100	0
Banks, Financial Institutions.	-	-
Bodies Corporate	29516610	25.64
Indian Public:		
i) Individuals -Hold Upto 1 Lakh (Nom Value)	10790455	9.37
ii) Individuals -Hold Above 1 Lakh (Nom Value)	10758890	9.35
NRI/OBC/Foreign Companies	3535619	3.07
Other (Clearing)	4560157	3.96
Trust	100	
LLP	550	
<b>Total</b>	<b>115115949</b>	<b>100</b>

## Top ten shareholders as on March 31, 2017

Name	No. of shares held	% of shareholding
Winotel Technologies Private Limited	9461012	8.22
Film Consultancy And Incentives Pvt. Ltd	6995061	6.08
Worldwide Pictur Pvt. Ltd	4427753	3.85

Mayank Bhatt	4399967	3.82
Abheek Properties Private Limited	4329392	3.76
Bright Hills Infra Projects Pvt. Ltd	3415770	2.97
Rajesh Sharma	3278649	2.85
Picture Thoughts Productions Pvt. Ltd	2106211	1.83
Ashish Kathpal	1122000	0.97
Chintan Arvind Kapadia	1100000	0.96

### Dematerialization of shares:

As on 31st March 2017, 95.87% of the Company's paid up share capital was held in dematerialized form.

### 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.

### Code for Prevention of Insider-Trading Practices

In compliance with the SEBI regulations for Insider Trading and the provisions of Companies Act, 2013, the Company has in place a comprehensive Code of Conduct for Prevention of Insider Trading, for its management and staff. The Code lays down guidelines advising them on procedures to be followed and disclosures to be made while dealing with the shares of HGEL, and cautioning them of the consequences of violations. Ms. Unnati A. Amodwala, Company Secretary has been appointed as the Compliance Officer.

The Company has also formulated a Code of Conduct for Prevention of Insider Trading and a Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information in accordance with SEBI (Prohibition of Insider Trading) Regulations, 2015.

### ADDITIONAL INFORMATION TO BE PROVIDED AS PER SCHEDULE V OF SEBI (LODR) REGULATIONS, 2015

#### PARA A: DISCLOSURE AS PER SEBI (LODR), REGULATIONS, 2015 IN RESPECT TO RELATED PARTY TRANSACTIONS

SR.NO.	IN THE ACCOUNTS OF	DISCLOSURES OF AMOUNTS AT THE YEAR END AND THE MAXIMUM AMOUNT OF LOANS/ ADVANCES/ INVESTMENTS OUTSTANDING DURING THE YEAR.	REMARKS
1.	Holding Company	Loans and advances in the nature of loans to subsidiaries by name and amount. _ Loans and advances in the nature of loans to Associates by name and amount. _ Loans and advances in the nature of loans to firms/companies in which directors are interested by name and amount.	Not Applicable
2.	Subsidiary	Loans and advances in the nature of loans to holding company by name and amount. _ Loans and advances in the nature of loans to associates by name and amount. _ Loans and advances in the nature of loans to Firms / companies in which directors are interested by name and amount.	All the related party transaction that were into during the year under review were at arm's length basis in the ordinary course of business and were in compliance with the applicable provisions of the Act.



3.	Holding Company	Investments by the loan in the shares of parent company and subsidiary company, when the company has made a loan or advance in the nature of loan.	Not Applicable
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### DISCLOSURE AS PER SEBI (LODR), REGULATIONS, 2015 IN RESPECT DEMAT SUSPENSE ACCOUNT/ UNCLAIMED SUSPENSE ACCOUNT

The listed entity need to disclose the following details and as long as there are shares in the demat suspense account or unclaimed suspense account:

SR.NO.	PARTICULARS	REMARKS
	Aggregate number of shareholders and the outstanding shares in the suspense account lying at the beginning of the year	NIL
	Number of shareholders who approached listed entity for transfer of shares from suspense account during the year	NIL
	Number of shareholders to whom shares were transferred from suspense account during the year	NIL
	Aggregate number of shareholders and the outstanding shares in the suspense account lying at the end of the year	NIL
	That the voting rights on these shares shall remain frozen till the Rightful owner of such shares claims the shares	NIL

### DECLARATION

I, Sandeep R. Arora, Managing Director of High Ground Enterprise Limited (HGEL), hereby confirm pursuant to Regulation 34(3) read with Schedule V (D) of the SEBI, (Listing Obligations and disclosure Requirements) Regulations, 2015 that:

The Board of Directors of HGEL has laid down a code of conduct for all Board members and senior management of the Company. The said code of conduct has also been posted on the Company's website viz. [www.highgroundenterprise.com](http://www.highgroundenterprise.com). All the Board members and senior management personnel have affirmed their compliance with the said code of conduct for the year ended March 31, 2017.

**For High Ground Enterprise Limited**  
**Sd/-**

**Date: September 2, 2017**  
**Place: Mumbai**

**Sandeep R Arora**  
**Managing Director**

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**REPORT OF AUDITORS ON CORPORATE GOVERNANCE**

To,

The Members of

High Ground Enterprise Limited

We have examined the compliance of conditions of corporate governance by High Ground Enterprise Limited ('the Company') for the year ended March 31, 2017, as stipulated in regulations 17 to 27, clauses (b) to (i) of sub-regulation (2) of regulation 46 and paragraph C, D and E of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") with Stock Exchanges in India.

The compliance of conditions of corporate governance is the responsibility of the Management. Our examination was limited to the procedure and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the corporate governance. 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 in all material respect with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

We state that no investor grievances as at March 31, 2016 are pending for a period not exceeding one month against the Company as per the records maintained by the Share registrar and reviewed by the Board.

We further state that such compliances is neither an assurance as to the further viability of the Company not the efficiency or effectiveness with which the management has conducted the affairs of the Company

**For Amit R. Dadheech & Associates**

**Sd/-**

**Amit R. Dadheech**

**M. No:22889; C. O P- 8952**

**Mumbai, September 2, 2017**

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# FINANCIAL SECTION

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## INDEPENDENT AUDITOR'S REPORT

### To The Shareholders of High Ground Enterprise Ltd.

#### Report on the Financial Statements

- (1) We have audited the accompanying Standalone financial statements of High Ground Enterprise Ltd., which comprise the Balance Sheet as at March 31, 2017, the Statement of Profit and Loss, Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

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

- (2) The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 with respect to the preparation and presentation of these Standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Companies Act, 2013 ("The Act"), read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

#### Auditor's Responsibility

- (3) Our responsibility is to express an opinion on these Standalone financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143 (10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

- (4) An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

## Opinion

- (5) In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2017, and its Profit and its Cash Flow for the year ended on that date.

## Report on Other Legal and Regulatory Requirements

- (6) As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), as amended, issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order.
- (7) As required by section 143 (3) of the Act, we report that:
- we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
  - in our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
  - the Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;
  - in our opinion, the aforesaid financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - On the basis of written representations received from the directors as on March 31, 2017 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2017 from being appointed as a director in terms of Section 164 (2) of the Act.
  - In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2017, based on internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.
  - With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
    - The Company has disclosed all its pending litigations in the notes to accounts;
    - The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
    - There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

## **"Annexure A" to the Independent Auditors' Report**

Referred to in paragraph 1 under the heading Report on Other Legal & Regulatory Requirement' of our report of even date to the financial statements of the Company for the year ended March 31, 2017:

- The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets;
  - The Fixed Assets have been physically verified by the management at reasonable intervals and such verification has revealed no material discrepancies. In our opinion having regard to the size

of the company and nature of its business, the frequency of physical verification of the fixed assets is reasonable.

- (c) The title deeds of immovable property owned by the company are duly held in the name of the company.

- 2) (a) The inventory (Comprising of project materials of finished goods, work in progress & raw material and film related rights) have been physically verified by the management at reasonable intervals during the year. In our opinion, the frequency of such verification is reasonable

The procedure of physical verification of inventory followed by the management is reasonable and adequate in relation to the size of the Company and the nature of its business.

In our opinion, the Company has maintained proper records of inventory. As explained to us, no material discrepancies were noticed on physical verification as compared to the book records.

- 3) According to the information and explanations given to us and on the basis of our examination of the books of account, the Company has granted one loan, unsecured to a company, covered in the Register maintained under section 189 of the Act:

- (a) The terms and conditions of the grant of such loan is not prejudicial to the company's interest.
- (b) The schedule of repayment of principal and payment of interest has been stipulated and the repayments and receipts are regular.
- (c) The total amount which is overdue for more than ninety days is Rs.140.26 lakhs and we have been informed by the company that the same is being repaid and the loan will be cleared in the due course.

- 4) Mr. Sandeep R. Arora has been appointed as Director of Picture Thoughts Production Private Limited w.e.f 10/10/2016 and the loan given to the company as reflected in the Financial Statements was granted to it before his appointment as director of the company and thus in our opinion and according to the information and explanations given to us, the company has complied with the provisions of section 185 and 186 of the Companies Act, 2013 in respect of loans, investments, guarantees, and security.

- 5) The Company has not accepted any deposits from the public and hence the directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the rules framed there under does not apply.

- 6) As informed to us, the maintenance of Cost Records has not been specified by the Central Government under sub-section (1) of Section 148 of the Act, in respect of the activities carried on by the company.

- 7) In respect of applicable statutory dues, according to information and explanations given to us:

- (a) Undisputed applicable statutory dues including Provident Fund, Investor Education & Protection Fund, Employees' State Insurance, Income Tax, Wealth Tax, Sales Tax, Service Tax, Customs Duty, Excise Duty, Cess and any other statutory dues as applicable have generally been regularly deposited with the appropriate authorities. Undisputed statutory dues remaining unpaid as at 31.03.2017 for more than six months from the date they become payable, are reported as under:

Particulars	Amount (Rs.in Lakhs)
Service Tax	44.95
TDS	45.65
Works Contract Tax / Profession Tax Payable	90.24
Total	180.84

- (b) There were no dues of Income tax, Sales tax, Service tax, Cess and Customs Duty, Excise Duty and Value Added Tax, which have not been deposited as on 31st March,2017 on account of any dispute except the following:

Particulars	Year	Amount (Rs. In Lakhs)
Income Tax	A.Y. 2014-15	1,628.38
TDS	F.Y. 2013-14	0.33
TDS	F.Y. 2014-15	4.18
TDS	F.Y. 2015-16	1.79
TDS	F.Y. 2016-17	64.57
Total		1,699.25

- 8) In our opinion and according to the information and explanations given to us, the Company has not made any default in the repayment of dues to from facility taken from Bank/Financial Institutions/debenture holders.
- 9) Based upon the audit procedures performed and the information and explanations given by the management, the company has not raised moneys by way of initial public offer or further public offer including debt instruments and term Loans. Accordingly, the provisions of clause 3 (ix) of the Order are not applicable to the Company and hence not commented upon.
- 10) Based upon the audit procedures performed and the information and explanations given by the management, we report that no fraud by the Company or on the company by its officers or employees has been noticed or reported during the year.
- 11) Based upon the audit procedures performed and the information and explanations given by the management, the managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act;
- 12) In our opinion, the Company is not a Nidhi Company. Therefore, the provisions of clause 3 (xii) of the Order are not applicable to the Company.
- 13) In our opinion, all transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 and the details have been disclosed in the Financial Statements as required by the applicable accounting standards.
- 14) Based upon the audit procedures performed and the information and explanations given by the management, the company has not made preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review.

- 15) Based upon the audit procedures performed and the information and explanations given by the management, the company has not entered into any non-cash transactions with directors or persons connected with him. Accordingly, the provisions of clause 3 (xv) of the Order are not applicable to the Company and hence not commented upon.
- 16) In our opinion, the company is not required to be registered under section 45 IA of the Reserve Bank of India Act, 1934 and accordingly, the provisions of clause 3 (xvi) of the Order are not applicable to the Company and hence not commented upon.

For and on behalf of  
**Jain Chowdhary & Co.**  
Chartered Accountants  
**FR No.113267W**

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

**Dated:** 30th May, 2017  
**Place:** Mumbai



**HIGH GROUND ENTERPRISE LIMITED**  
Standalone Audited Financial Statements as at 31st March, 2017

Particulars		Note	As at 31st Mar, 2017	As at 31st Mar, 2016
			Rs.in Lacs	Rs.in Lacs
<b>I</b>	<b>EQUITY AND LIABILITIES</b>			
<b>1</b>	<b>Shareholders' Funds</b>			
	(a) Share capital	3	1,151.16	1,046.51
	(b) Reserves and surplus	4	9,216.56	8,248.50
			10,367.72	9,295.01
<b>2</b>	<b>Non-current liabilities</b>		-	-
<b>3</b>	<b>Current liabilities</b>			
	(a) Trade payables	5	8,378.60	10,730.92
	(b) Other current liabilities	6	774.42	563.19
	(c) Bank Borrowings	7	4,888.79	3,321.22
	(d) Short-term provisions	8	853.08	912.65
			14,894.90	15,527.98
	<b>TOTAL</b>		<b>25,262.62</b>	<b>24,822.99</b>
<b>II</b>	<b>ASSETS</b>			
<b>1</b>	<b>Non-current assets</b>			
	(a) Fixed Assets	9	544.60	643.42
	(b) Non Current Investments	10	2.49	2.49
	(c) Deferred Tax Assets(Net)		7.15	9.24
<b>2</b>	<b>Current assets</b>			
	(a) Inventories		1,234.95	1,208.94
	(b) Trade Receivables	11	15,928.25	16,112.86
	(c) Cash and Bank Balances	12	129.32	567.85
	(d) Other Current Assets	13	1,183.65	955.77
	(e) Loans & Advances	14	6,232.21	5,322.42
	<b>TOTAL</b>		<b>25,262.62</b>	<b>24,822.99</b>
<b>III</b>	<b>Notes Forming part of the Financial statements</b>	1 to 20		

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

**For and on behalf of the Board of Directors**  
HIGH GROUND ENTERPRISE LIMITED

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

**Sandeep R. Arora**  
Managing Director  
DIN No. - 02587811

**Chintan Kapadia**  
Whole Time Director  
DIN No. - 01639589

**Unnati A. Amodwala**  
Company Secretary

Date: 30.05.2017

Place : Mumbai

**HIGH GROUND ENTERPRISE LIMITED****Statement of Standalone Audited Financial Results for the year ended 31st March 2017**

	Particulars	Note	"For the year ended 31st March, 2017"	"For the year ended 31st March, 2016"
			Rs.in Lacs	Rs.in Lacs
1	Net Sales/Income from Operations	15		
	Engineering Procurement Construction Manage- ment		25,865.02	19,339.52
	Media,Consulting and allied services		4,887.86	5,463.27
2	Other income (Foreign Exchange Gain/Loss)	16	11.58	870.20
3	Total revenue (1+2)		30,764.46	25,672.99
4	Expenses			
	(a) Cost of Productions/ Services	17	27,307.11	21,491.87
	(b) Employee benefits expenses	18	176.33	198.69
	(c) Finance costs	19	483.63	320.56
	(d) Depreciation and amortisation expense	9	115.38	132.63
	(e) Other expenses	20	764.81	1,368.79
	Total expenses		28,847.26	23,512.54
5	Profit / (Loss) before exceptional and extraordi- nary items and tax (3 - 4)		1,917.20	2,160.45
6	Extraordinary items		-	-
7	Profit / (Loss) before tax (5+6)		1,917.20	2,160.45
8	Tax expense:			
	(a) Current tax expense		663.50	747.95
	(b) Deferred tax		2.09	-
9	Profit / (Loss) for the year (7-8)		1,251.61	1,412.50
	Earnings per equity share of face value of Re. 1 each			
	Basic & Diluted EPS before extra ordinary items		1.09 & 1.09	1.35 & 1.38*
	Basic & Diluted EPS after extra ordinary item		1.09 & 1.09	1.35 & 1.38*
	Notes forming parts of the financial statements	1 to 20		

\* Refer Note No. 2.23 (e) for Restated EPS of F.Y 2015-16

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

**For and on behalf of the Board of Directors**  
HIGH GROUND ENTERPRISE LIMITED

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

**Sandeep R. Arora**  
Managing Director  
DIN No. - 02587811

**Chintan Kapadia**  
Whole Time Director  
DIN No. - 01639589

**Unnati A. Amodwala**  
Company Secretary

Date: 30.05.2017  
Place : Mumbai

**HIGH GROUND ENTERPRISE LIMITED**  
Cash flow statement As at 31st March 2017

Rs. In Lakhs

Particulars	For the year ended 31st March 2017	For the year ended 31st March 2016
<b>Cash Flow from Operating Activities</b>		
Net Profit before Tax	1,917.20	2,160.45
<b>Adjustments for</b>		
Add :Depreciation/ Amortization	115.38	132.63
Interest/bank charges paid	483.63	320.56
Interest Income	(20.73)	(87.13)
Exchange Adjustments (net)	15.18	(44.15)
Provision for CSR	(40.35)	-
<b>Operating Profit before working capital changes</b>	<b>2,470.31</b>	<b>2,482.36</b>
Adjustments for :		
(Increase)/Decrease in Trade and other receivables	184.61	(7,966.45)
(Increase)/ Decrease in Inventories	(26.01)	324.30
(Increase)/ Decrease in other assets	(227.88)	621.00
(Increase)/ Decrease in Loans & Advances	(909.79)	(1,818.63)
Increase/ (Decrease) in Current Liabilities	211.23	(950.67)
Increase/(Decrease) in Trade and other payables	(2,352.32)	5,608.24
Increase/(Decrease) in Provisions including Deferred Tax Liabilities	(57.47)	267.34
<b>Cash generated from/(used in) Operations</b>	<b>(707.32)</b>	<b>(1,432.51)</b>
Direct taxes paid	(665.59)	(747.95)
<b>Net Cash Flow from / (used in) Operating Activities (A)</b>	<b>(1,372.91)</b>	<b>(2,180.46)</b>
<b>Cash Flow from Investing Activities</b>		
Purchase of fixed assets	(16.56)	(87.28)
Disposal of investments	-	356.59
Interest received	20.73	87.13
<b>Net Cash Flow used in investing Activities (B)</b>	<b>4.17</b>	<b>356.44</b>
<b>Cash Flow from Financing Activities</b>		
Proceeds from Short Bank Borrowings	1,567.57	941.40
Repayment of Short Term Borrowings	-	(33.76)
Share & Warrant Application Money	-	(772.61)
Share Premium	(104.65)	2,320.72
Capital Reserves	-	116.52
Foreign Exchange Loss	(15.18)	44.15
Proposed Dividend with DDT	(138.55)	(125.96)
Issue of Shares	104.65	105.68
Interest paid/ Bank charges paid	(483.63)	(320.56)
<b>Net Cash Flow from Financing Activities (C)</b>	<b>930.21</b>	<b>2,275.58</b>
<b>Net Increase / (Decrease) in Cash and Cash Equivalents (A + B + C)</b>	<b>(438.53)</b>	<b>451.56</b>
Opening Cash and Cash Equivalents	567.85	116.29
<b>Closing Cash and Cash Equivalents</b>	<b>129.32</b>	<b>567.85</b>

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

For and on behalf of the Board of Directors  
HIGH GROUND ENTERPRISE LIMITED

Siddharth Jain  
Partner  
M. No. 104709

Sandeep R. Arora  
Managing Director  
DIN No. - 02587811

Chintan Kapadia  
Whole Time Director  
DIN No. - 01639589

Unnati A. Amodwala  
Company Secretary

Date: 30.05.2017  
Place : Mumbai

## Notes forming part of Financial Statements

### 1. CORPORATE INFORMATION

High Ground Enterprise Limited (BSE Scrip Code 517080) was incorporated in New Delhi on 15th Jan, 1986 as Woo Yang Electronics (India) Limited. The Company was taken over by the current management led by Mr Sandeep R Arora in 2009. The Name of the company was changed from Woo Yang Electronics (India) Limited to High Ground Enterprise Limited in 2010. The registered office of the company was shifted from New Delhi to Mumbai in 2011. The Company is engaged in two business divisions during the year, first being Engineering, Procurement, Construction Management (EPCM). Its second division is Media, Consulting and Allied services.

### 2. Significant Accounting Policies

#### 2.1 Basis of preparation:

These financial statements are prepared in accordance with Indian Generally Accepted Accounting Principles (GAAP) under the historical cost convention on accrual basis and comply in all material aspects with the Accounting Standards notified under Section 133 of Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014, the provisions of the Companies Act, 2013 and guidelines issued by the Securities and Exchange Board of India (SEBI). Accounting policies have been consistently applied except where a newly- issued Accounting Standard requires a change in the Accounting policy hitherto in use.

#### 2.2 Use of Estimates:

The preparation of financial statement requires the management to make estimates and assumptions that affect the reported amounts of assets and liabilities as on the date of the financial statements and the reported amount of revenue and expenses of the year. Actual results could differ from these estimates. Any revision to estimates is recognized prospectively in current and future periods.

#### 2.3 Inventories

##### a) Engineering Procurement Construction Management Division

- (i) Raw materials are valued at cost, net of Excise duty and Value Added Tax, wherever applicable. Stores and spares, loose tools are valued at cost except unserviceable and obsolete items that are valued at estimated realizable value thereof. Costs are determined on Weighted Average Method.
- (ii) Stores, spares and material at construction site are valued and stated at lower of cost or net realisable value. The Weighted Average Method of inventory valuation is used to determine the cost.
- (iii) Work-in-Progress on construction contracts reflects value of material inputs and expenses incurred on contracts including estimated profits in evaluated jobs.
- (iv) Finished Goods are valued at cost or net realizable value, whichever is lower. Costs are determined on Weighted Average Method.

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

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

- (i) New film where principal rights, generally theatrical, satellite and video rights, have been sold, stock of residual rights are valued at values estimated by the management which would not exceed the relevant cost.

- (ii) Stock of rights in respect of old films are valued at full cost for a period of twelve months from the date of purchase and, thereafter at appropriate realisable values as estimated by the management not exceeding the cost. All kinds of film, rights are reviewed by the management at the end of each reporting period to determine fall in values, if any, based on expected future realisability of such rights.
- (iii) Inventories related to films under production are stated at acquisition and production cost plus relevant overhead cost and capitalised interest net of any amounts received from third party investors.

## 2.4 Cash Flow statement

Cash flow statements are prepared using the Indirect method.

## 2.5. Depreciation / Amortisation on tangible and intangible assets

Depreciation on tangible assets is provided over the useful lives of assets as estimated by the Company. Depreciation for assets purchased/ sold during a period is proportionately charged. Intangible assets are amortised over their respective individual estimated useful lives.

## 2.6. Revenue Recognition

### a) Engineering Procurement Construction Management Division

- (i) Construction contract revenues:  
Revenue from construction contracts is recognised on the basis of 'Percentage Completion Method'. The percentage of work completed is determined either by the expenditure incurred on the job till date to the total expected expenditure of the contract or as certified by technical experts.

Construction contracts are progressively evaluated at the end of each accounting period. On contracts under execution which have reasonably progressed, profit is recognised by evaluation of the percentage of work completed at the end of the accounting period, whereas, foreseeable losses are fully provided for in the respective accounting period.

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

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

- (i) Sale of rights is recognised on effective delivery of materials to customers as per terms of the sale agreements. Digital and other new media revenues are recognised at the earlier of when the content is accessed or if licensed, the date the revenue is contracted or declared.
- (ii) Revenue from theatrical distribution of films is recognised on exhibition of films. In case of distribution through theatres, revenue is recognised on the basis of box office reports received from various exhibitors. In case of distribution of films on commission basis, revenue is recognised inclusive of share of sub-distributor. Overflow from the distributors is accounted when reported.
- (iii) Advertisement revenue (net of agency commission) is recognized when the related advertisement or commercial appears before the public i.e. on telecast. Subscription revenue is recognized on completion of service.

- c) Dividend from investments is recognized when the right to receive the payment is established and when no significant uncertainty as to measurability or collectability exists.

- d) Interest income is recognized on the time basis determined by the amount outstanding and the rate applicable and where no significant uncertainty as to measurability or collectability exists.
- e) Revenue from other services is recognised as and when such services are completed / performed.

## 2.7 Tangible fixed assets

Tangible fixed assets are stated at cost, net of accumulated depreciation and impairment losses, if any. Cost includes all expenses incurred to bring the assets to its present location and condition.

## 2.8 Transactions in foreign currencies

### Exchange differences

Transactions in foreign currencies are recorded at the exchange rates prevailing on the date of the transaction. Foreign currency monetary assets and liabilities are translated at year end exchange rates.

Exchange differences arising on settlement of transactions and translation of monetary items are recognized as income or expense in the year in which they arise. Exchange differences considered as borrowing cost are capitalized to the extent these relate to the acquisition / construction of qualifying assets and the balance amount is recognized in the Statement of Profit and Loss.

Pursuant to notification issued by the Ministry of Corporate Affairs, on December 29, 2011, the exchange differences on long term foreign currency monetary items (other than those relating to acquisition of depreciable asset) are amortized over the period till the date of maturity or March 31, 2020, whichever is earlier.

## 2.9 Investments

- (i) Long term investments are stated at cost less other than temporary diminution in value, if any.
- (ii) Investments in associate companies are accounted as per the 'Equity method', and accordingly, the share of post-acquisition reserves of each of the associate companies has been added to / deducted from the cost of investments.
- (iii) Current investments are stated at lower of cost and fair value determined on an individual investment basis

## 2.10 Employee Benefit Accounting

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

## 2.11 Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale, are capitalised as part of the cost of respective asset. All other borrowing costs are expensed in the period they occur.

## 2.12 Segments

Operating segments are components of the company's business activities about which separate financial information is available that is evaluated regularly by the board of management of Company. The board of management decides how to allocate resources and assesses performance. reportable segments

comprises the operating sectors Engineering Procurement Construction Management (EPCM) and Media , Consulting & Allied services Segment reporting comparatives are reclassified for profit or loss purposes.

## 2.13 Related party disclosures for the F.Y.2016-17

### (a) Related parties and their relationship:

Name of the Company	Type of Company
Colour Bar Private Limited	Subsidiary Company
HGEL Integrated Private Limited	Subsidiary Company
Chitra Talent Management Private Limited	Associate Company
Picture Thoughts Productions Private Limited	Common Director - Sandeep R. Arora
High Ground Productions Private Limited	Common Director - Sandeep R. Arora
Sandeep R. Arora	Managing Director

### (b) Transactions with the Related Parties and its closing balance:

(Rs.in Lakhs)

Name of the Company	Opening Balance as on 01.04.2016	Dr. Transactions	Cr. Transactions	Closing balance as on 31.03.2017
Colour Bar Private Limited	7.13 (Dr.)	13.89	0.00	21.02 (Dr.)
HGEL Integrated Private Limited	114.12 (Dr.)	231.63	123.00	222.76 (Dr.)
Chitra Talent Management Private Limited	125.90 (Dr.)	32.76	158.66	-
Picture Thoughts Productions Private Limited	217.84 (Dr.)	499.95	165.20	552.59 (Dr.)
High Ground Productions Private Limited	-	1.00	1.00	-
Sandeep R. Arora	38.33 (Cr.)	67.10	41.37	12.60 (Cr.)

### (c) Key Management Personnel

Name of the Key Personnel	Designation
Sandeep R. Arora	MD
Chintan Kapadia	WTD
Unnati A. Amodwala	CS

## 2.14 Leases

### (a) Finance lease

Assets acquired under finance lease are capitalized and the corresponding lease liability is recorded at an amount equal to the fair value of the leased asset at the inception of the lease. Initial costs directly attributable to lease are recognized with the asset under lease.

### (b) Operating lease

Lease of assets under which all the risk and rewards of ownership are effectively retained by the lesser is classified as operating lease. Lease payments/ revenue under operating leases is recognized as expense/ income on accrual basis in accordance with the respective lease agreements.

## 2.15 Earnings per Share

Basic earnings per share is computed and disclosed using the Weighted Average number of equity shares outstanding during the year. Diluted earnings per share is computed and disclosed using the weighted average number of equity and diluted equity equivalent shares outstanding during the year, except when the results would be anti-dilutive.

## 2.16 Accounting for taxes on income

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

## 2.17 Intangible assets

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

## 2.18 Provisions, Contingent Liabilities and Contingent Assets

- (a) Provisions involving substantial degree of estimation in measurement are recognized when there is present obligation as a result of past events and it is probable that there will be an outflow of resources. Provisions are recognized if, as a result of a past event, the company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognized as interest expenses.
- (b) Contingent liabilities are not recognized but are disclosed in the notes. Contingent assets are neither recognized nor disclosed in the financial statements.

## 2.19 Financial guarantees

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

## 2.20 Contingent Liabilities

- a) A possible obligation that arises from past event and existence of which will be confirmed only by



occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the enterprise or

- b) A present obligation that arises from past events but is not recognized because: It is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation: or

A reliable estimate of the amount of the obligation cannot be made.

The Group has recognised as Contingent Liability of Rs. 1,628.38 lakhs of Income Tax and of Rs. 70.87 lakhs for TDS dues which are disputable in various forums at Income Tax and TDS departments.

## 2.21 Accounting changes

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

## 2.22 Reclassifications

Figures pertaining to the previous year have been reclassified wherever necessary to bring them in line with the financial statements.

## 2.23 OTHER NOTES

- a) Managerial Remuneration

Remuneration paid or provided in accordance with Section 197 of Companies Act, 2013 to Managing Director and whole time Director is as under:

(Rs.in Lakhs)

Particulars	FY 2016-17	FY 2015-16
	Standalone	Standalone
Director's Remuneration	74.00	57.94

- b) Payment to Auditors

(Rs.in Lakhs)

Particulars	FY 2016-17	FY 2015-16
	Standalone	Standalone
Audit & Tax Audit Fees	6.09	2.00
Certification & tax representation	-	0.71
Other matters	0.05	1.21

- c. Foreign Exchange

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

(Rs.in Lakhs)

Particulars	FY 2016-17	FY 2015-16
	Standalone	Standalone
Foreign Currency Trade Receivables	739.93	755.10

- d. Earnings in Foreign Exchange:

(Rs.in Lakhs)

Particulars	FY 2016-17	FY 2015-16
	Standalone	Standalone
Foreign Exchange Gain/Loss	(15.18)	44.15

## e. Earnings per Share:

(Rs.in Lakhs)

Particulars	FY 2016-17	FY 2015-16
	Standalone	Standalone
Profit after Tax	1251.60	1,412.50
Basic & Diluted EPS before extra ordinary items	1.09& 1.09	1.35& 1.38
Basic & Diluted EPS after extra ordinary item	1.09 & 1.09	1.35 & 1.38

As per AS 20, previous year EPS has to be restated to include the impact of bonus shares issued during the year in order to facilitate a valid comparison of EPS. Therefore, the Restated Basic & Diluted EPS for F.Y 2015-16 is 1.23 & 1.25 respectively.

## f. Issue of Preferential Share:

(Rs.in Lakhs)

Particulars	FY 2016-17	FY 2015-16
Preferential Allotment of 27,85,000 Shares on 30.10.2015 at the rate of Re.1 per share	-	27.85
Preferential Allotment of 4,93,333 Shares on 10.11.2015 at the rate of Re.1 per share	-	4.93
<b>Total</b>	-	32.78

## g. Dividend &amp; Dividend Distribution Tax:

Particulars	FY 2016-17	FY 2015-16
Dividend & Dividend Distribution Tax	138.55	125.96

h. The company is in the process of reconciling its Input Cenvat Credit from the F.Y 2010-11 onwards. The resultant effect of the said reconciliation process on the Service Tax Liability if any will be given in the books of accounts as and when final assessment is done by the respective authorities.

## i. Segment Information:

## Primary Segment Information

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

Other Information	Engineering, Procurement, Construction, Management	Media Consulting & Allied Services	Total	Engineering, Procurement, Construction, Management	Media Consulting & Allied Services	Total
	F.Y.2016-17			F.Y.2015-16		
<b>Segment Revenue</b>						
External Sales	25,865.02	4887.86	30,752.88	19,339.52	5463.27	24,802.79
Other Income	5.71	5.87	11.58	685.88	184.32	870.20
<b>Total Revenue</b>	<b>25,870.72</b>	<b>4893.73</b>	<b>30,764.45</b>	<b>20,025.40</b>	<b>5647.59</b>	<b>25,672.99</b>
<b>Segment Result</b>						
Operating Profit	1,983.37	417.44	2,400.81	2,165.40	315.61	2,481.01
Interest Expense	411.64	71.98	483.62	266.77	53.79	320.56
Tax Expense	552.44	113.15	665.59	657.08	90.87	747.95
<b>Profit after Tax</b>	<b>1,019.29</b>	<b>232.31</b>	<b>1,251.60</b>	<b>1,241.55</b>	<b>170.95</b>	<b>1,412.50</b>

Other Information	Engineering, Procurement, Construction, Management	Media Consulting & Allied Services	Unallocated	Total	Engineering, Procurement, Construction, Management	Media Consulting & Allied Services	Unallocated	Total
	F.Y.2016-17				F.Y.2015-16			
Segment Assets	16,619.33	6,880.93	1,762.36	25,262.62	14,457.09	8,613.34	1,752.55	24,822.99
Segment Liabilities	20,486.57	2,928.31	1,847.74	25,262.62	14,681.36	5,007.16	5,134.46	24,822.99
Depreciation/Amortization	-	-	115.38	115.38	-	-	132.63	132.63

#### Secondary Segment Information

Particulars	India	Outside India	Total	India	Outside India	Total
	F.Y.2016-17			F.Y.2015-16		
Revenue	30,752.88	-*	30,752.88	25,672.99	-*	25,672.99
Carrying amount of assets	544.60	-	544.60	643.42	-	643.42

\* There has been no revenue from "Outside India" during the year. The forex gain reflected in our report is gain due to fluctuation of forex rates for valuation of debtors.

#### Notes for segment reporting:

- Geographical segment and its composition are India and Rest of the world.
- The Company has identified India and Rest of the world as Geographical segments for secondary segment reporting. Geographical sales are segregated based on the location of the customer who is invoiced or in relation to which the sale is otherwise recognized.

#### k. Share Premium & Issue of Bonus Shares:

During the F.Y.2016-17 following bonus shares have been issued through share premium account.

Particulars	Amount (Rs. in Lakhs)
Opening Balance of Share Premium A/c as on 01.04.2016	5,449.72
Less: Share Premium utilised for issue of bonus shares	104.65
Closing Balance as on 31.03.2017	5,345.07

No. of equity shares issued and date (1)	Nominal value per share (2)	Total premium utilised (Rs. In Lakhs) (4)
1,04,65,086 shares on 28.10.2016	Re. 1.00	104.65

The company has issued Bonus equity shares in the ratio of 10:1 to its existing shareholders.

- l. The company has paid to Rikvin PTE Ltd. (Singapore) an amount of Rs. 3.86 Lakhs in January 2017 as incorporation expenses towards formation of Foreign Subsidiary Company namely HGEL INTERNATIONAL PTE LTD. The company had not commenced its operations and hence it was not considered for Consolidation for the year ended 31.03.2017.

m. Corporate Social Responsibility:

As per Section 135 of the Companies Act, 2013, a company, meeting the applicability threshold, needs to spend at least 2% of its average net profit for the immediately preceding three financial years on corporate social responsibility (CSR) activities. The areas for CSR activities are eradication of hunger or malnutrition, promoting education, art and culture, healthcare and rural development projects. The funds were primarily allocated to a corpus and utilised through the year on these activities which are specified in Schedule VII of Companies Act, 2013.

Though the company had not made any CSR provision in F.Y 2015-16 but an amount of Rs. 25 lakhs was spent by the company on CSR activities during the current year so as to comply with the provision in spirit.

For the F.Y 2016-17, the company has provided for an amount of Rs. 40.35 lakhs towards CSR activities.

n. SBN Disclosure:

The Details of Specified Bank Notes (SBN) held and transacted during the period from 8th November, 2016 to 30th December, 2016 as provided in the Table below:-

(Amount in Rs.)

Particulars	SBNs	Other Denomination Notes	Total
Closing cash in hand as on 08.11.2016	14,20,000	57,04,539	71,24,539
Add: Permitted Receipts	-	8,56,868	8,56,868
Less: Permitted Payments	-	24,07,098	24,07,098
Less: Amount deposited in Banks	14,20,000	-	14,20,000
<b>Closing cash in hand as on 30.12.2016</b>	<b>-</b>	<b>41,54,309</b>	<b>41,54,309</b>

### 3. SHARE CAPITAL

(Rs. In Lakhs)

Particulars	FY 2016-17	FY 2015-16
	Standalone	Standalone
<b>Authorised</b>		
15,00,00,000 Equity Shares of Re. 1 each	1,500.00	1,100.00
<b>Issued, subscribed and paid up</b>		
11,51,15,949 Equity Shares of Re. 1 each fully paid up	1,151.16	1,046.51
<b>Total</b>	<b>1,151.16</b>	<b>1,046.51</b>

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

(Rs. In Lakhs)

Particulars	FY 2016-17		FY 2015-16	
	Standalone		Standalone	
	Number of equity share	Amount	Number of equity share	Amount
At the beginning of the year	104,650,863	1,046.51	94082620*	940.83
Add: Conversion of Warrants into equity Share/ Issue of bonus shares	10,465,086	**104.65	10,568,243	105.68
<b>Closing Balance</b>	<b>115,115,949</b>	<b>1,151.16</b>	<b>104,650,863</b>	<b>1,046.51</b>

\* The company has split Rs. 10 share into Re.1 share during the year and hence the number of shares has been increased proportionately.

\*\* The company has issued Bonus equity shares in the ratio of 10 : 1 during the current financial year to its existing shareholders.

### 4. RESERVES AND SURPLUS

(Rs. In Lakhs)

Particulars	FY 2016-17	FY 2015-16
	Standalone	Standalone
<b>(a) General Reserve</b>		
As per last Balance Sheet	451.01	168.51
Add : Transferred from Statement of Profit & Loss Account	-	282.50
<b>Closing Balance</b>	<b>451.01</b>	<b>451.01</b>
<b>(b) Surplus in Profit &amp; Loss Account</b>		
As per last Balance Sheet	2,231.25	1,227.21
Add : Profit for the year	1,251.61	1,412.50
<b>Total</b>	<b>3,482.86</b>	<b>2,639.71</b>
Less : Appropriations		
Proposed Dividend	138.55	125.96
Transfer to General Reserves	-	282.50
Provision for CSR	40.35	-
<b>Closing Balance</b>	<b>3,303.96</b>	<b>2,231.25</b>
<b>(c) Share Premium</b>	<b>5,345.07</b>	<b>5,449.72</b>
<b>(d) Capital Reserves</b>	<b>116.52</b>	<b>116.52</b>
<b>Total (a+b+c+d)</b>	<b>9,216.56</b>	<b>8,248.50</b>

**5. TRADE PAYABLES**

(Rs. In Lakhs)

Particulars	FY 2016-17	FY 2015-16
	Standalone	Standalone
Engineering Procurement Construction Management	6,379.80	7,673.99
Media Consulting & Allied Services	1,998.80	3,056.93
<b>Total</b>	<b>8,378.60</b>	<b>10,730.92</b>

**6. OTHER CURRENT LIABILITIES**

Rs. In Lakhs)

Particulars	FY 2016-17	FY 2015-16
	Standalone	Standalone
a) Profession Tax Payable	0.04	0.30
b) TDS Payable	363.98	416.98
c) Provident Fund	0.07	0.11
d) Service Tax Payable	278.41	65.18
e) Unclaimed Dividend	12.86	12.86
f) ESIC Payable	0.01	1.22
g) Work Contract Tax Payable	119.06	66.54
<b>Total</b>	<b>774.42</b>	<b>563.19</b>

**7. BANK BORROWING**

(Rs. In Lakhs)

Particulars	FY 2016-17	FY 2015-16
	Standalone	Standalone
Bank of Baroda CC A/C	4,639.59	2,914.33
Karnataka Bank Ltd.-OD-A/c	-	86.55
Karnataka Bank Ltd.-Term Loan	-	295.64
Bank of Baroda – Term Loan	234.00	-
ICICI Car Loan	7.33	12.14
HDFC Bank Ltd.-Car Loan A/C	7.87	12.56
<b>Total</b>	<b>4,888.79</b>	<b>3,321.22</b>

**8. SHORT TERM PROVISIONS**

(Rs. In Lakhs)

Particulars	FY 2016-17	FY 2015-16
	Standalone	Standalone
Provision for Tax (including earlier years)	612.91	747.95
Proposed dividend with DDT	138.55	125.96
DDT Payable(F.Y.2014-15)	-	20.27
Directors' Remuneration Payable	16.45	1.04
Provision for CSR	40.35	-
Provision - Others	44.82	17.43
<b>Total</b>	<b>853.08</b>	<b>912.65</b>

**M/S HIGH GROUND ENTERPRISE LIMITED**  
**9. DEPRECIATION AS AT 31.03.2017 AS PER COMPANIES ACT 2013**

NAME OF THE ASSET	RATE	GROSS BLOCK			DEPRECIATION / AMORTIZATION				NET BLOCK	
		Opening as at 01/04/2016	ADDI-TIONS DURING THE YEAR	SOLD DURING THE YEAR	AS AT MARCH 31,2017	UPTO APRIL 1,2016	DEDUC-TIONS DURING THE YEAR	DURING THE YEAR	AS AT MARCH 31,2017	AS AT MARCH 31,2016
Land & Build-ings	4.87%	210.32	-	-	210.32	20.19	-	9.26	180.86	190.12
Computer & Peripherals	63.16%	14.59	3.67	-	18.26	9.29	-	5.17	3.80	5.30
Motor Car	31.23%	61.93	8.00	-	69.93	11.63	-	18.21	40.09	50.29
Plant & Ma-chinery	18.10%	484.34	-	-	484.34	145.65	-	61.30	277.39	338.69
Furniture & Fixtures	25.89%	48.61	2.83	-	51.44	15.95	-	8.85	26.64	32.66
Office Equip-ment	45.07%	53.70	2.05	-	55.76	27.34	-	12.59	15.82	26.36
Total		873.49	16.56	-	890.04	230.06	-	115.38	544.60	643.42

**10. NON CURRENT INVESTMENTS**

(Rs. In Lakhs)

Particulars	FY 2016-17	FY 2015-16
	Standalone	Standalone
Investments (At Cost):		
HGEL Integrated Private Ltd.	1.00	1.00
Color Bar Private Ltd.	1.00	1.00
Chitra Talent Management Pvt.ltd.	0.49	0.49
<b>Total</b>	<b>2.49</b>	<b>2.49</b>

**11. TRADE RECEIVABLES**

(Rs. In Lakhs)

Particulars	FY 2016-17	FY 2015-16
	Standalone	Standalone
Unsecured considered good unless otherwise stated:		
(a) Debts outstanding for a period exceeding six months considered good	1,110.18	1,114.62
(b) Other Debts	14,818.07	14,998.24
<b>Total</b>	<b>15,928.25</b>	<b>16,112.86</b>

**12. CASH AND BANK BALANCES**

(Rs. In Lakhs)

Particulars	FY 2016-17	FY 2015-16
	Standalone	Standalone
(a) Cash on Hand	58.35	14.70
(b) Balances with Banks In current accounts	70.97	553.15
<b>Total</b>	<b>129.32</b>	<b>567.85</b>

**13. OTHER CURRENT ASSETS**

(Rs. In Lakhs)

Particulars	FY 2016-17	FY 2015-16
	Standalone	Standalone
(a) Security Deposits	177.74	43.35
(b) Loans and advances to employees	3.95	3.22
(c) Work Contract Tax	0.08	-
(d) VAT receivable	38.85	16.76
(e) TDS receivable	743.23	590.29
(f) Input Service Tax	1.63	-
(g) Accrued Interest on FD	11.76	14.16
(h) FD with Karnatka bank	-	25.00
(i) FD with BOB, AP	-	0.50
(j) FD with BOB	-	62.14
(k) FD with UBI, Bhopal	-	0.50
(l) Prepaid Expenses	28.88	-
(m) Others	177.52	199.85
<b>Total</b>	<b>1,183.65</b>	<b>955.77</b>



#### 14. LOANS AND ADVANCES

(Rs. In Lakhs)

Particulars	FY 2016-17	FY 2015-16
	<b>Standalone</b>	<b>Standalone</b>
Loans & Advances to Corporate entities	5990.49	5,068.58
Loans & Advances to Non Corporate entities	241.72	253.84
<b>Total</b>	<b>6232.21</b>	<b>5,322.42</b>

#### 15. REVENUE FROM OPERATIONS

(Rs. In Lakhs)

Particulars	FY 2016-17	FY 2015-16
	<b>Standalone</b>	<b>Standalone</b>
Net Sales / Income from Operation		
Engineering Procurement Construction Management	25,865.02	19,339.52
Media, Consulting and Allied services	4,887.86	5,463.27
<b>Total</b>	<b>30,752.88</b>	<b>24,802.79</b>

#### 16. OTHER INCOME

(Rs. In Lakhs)

Particulars	FY 2016-17	FY 2015-16
	<b>Standalone</b>	<b>Standalone</b>
Foreign Exchange Gain/(Loss)	(15.18)	44.15
Interest	20.73	87.13
Liabilities No longer required	-	709.15
Distribution income	5.87	20.00
Others	0.16	9.77
<b>Total</b>	<b>11.58</b>	<b>870.20</b>

#### 17. OPERATIONAL COST

(Rs. In Lakhs)

Particulars	FY 2016-17	FY 2015-16
	<b>Standalone</b>	<b>Standalone</b>
<b>Cost of Productions / Services</b>		
<b>Engineering Procurement Construction Management (a)</b>		
Opening Work in Progress/Stock	123.65	174.06
Add: Costs / services incurred during the year	23,313.32	16,572.60
<b>Less: Closing work in Progress/ Stock</b>	<b>149.66</b>	<b>123.65</b>
<b>Total Costs/Services for the year (a)</b>	<b>23,287.31</b>	<b>16,623.01</b>
<b>Media, Consulting and allied services (b)</b>		
Opening Projects in Progress	1,085.29	1,358.87
Add: Costs / services incurred during the year	4,019.80	4,595.28
Less: Closing projects in Progress	1,085.29	1,085.29
<b>Total Costs/Services for the year (b)</b>	<b>4,019.80</b>	<b>4,868.86</b>
<b>Total (a)+(b)</b>	<b>27,307.11</b>	<b>21,491.87</b>

**18. EMPLOYEE BENEFIT EXPENSES**

(Rs. In Lakhs)

Particulars	FY 2016-17	FY 2015-16
	Standalone	Standalone
Salaries and Wages	160.56	178.86
Staff Welfare expenses	14.44	19.55
PF / ESIC Employer share	1.33	0.23
Profession Tax - Directors	-	0.05
<b>Total</b>	<b>176.33</b>	<b>198.69</b>

**19. FINANCE COST**

(Rs. In Lakhs)

Particulars	FY 2016-17	FY 2015-16
	Standalone	Standalone
Interest Expenses on :		
(i) Bank Loans	435.33	301.34
(ii) Others	-	1.23
Bank Charges	48.30	17.99
<b>Total</b>	<b>483.63</b>	<b>320.56</b>

**20. OTHER EXPENSES**

(Rs. In Lakhs)

Particulars	FY 2016-17	FY 2015-16
	Standalone	Standalone
Interest on Income tax, TDS & DDT	174.13	21.71
Business Promotion	51.91	59.99
Legal & Professional Charges	103.23	43.75
Travelling and Conveyance	32.59	25.15
Lodging & Boarding Expenses	3.08	-
Discount Allowed	2.58	-
Power and Fuel	4.26	10.03
Miscellaneous Expenses	4.05	4.49
Postage and Courier Charges	2.87	2.33
Internet , Web site hosting & Domain name charges	4.24	1.74
Listing /Demat Connectivity Charges	9.37	3.12
Vehicle Expenses	6.48	7.82
Repairs and maintenance	3.67	12.21
Office Expenses	12.46	15.11
Printing and Stationery	8.56	7.75
Rent Including lease rentals	193.15	154.86
Processing fees & Stamp Duty	17.03	16.21

Communication Expenses	3.70	4.83
Advertising expenses	2.06	0.95
Bad debts/ Discount Allowed / Write off Balances	-43.05	591.93
Donations and Contributions	25.63	0.39
Insurance	5.64	0.83
Audit fees	6.14	2.76
Society Maintenance Charges	2.65	2.78
Distribution exp.	25.42	361.50
ISO Certification Expenses	2.94	-
Rates and Taxes	94.48	6.35
Freight Charges	-	9.71
Security charges	1.55	0.46
Profession Tax - Company	-	0.03
Prior Period Expenses	3.99	-
<b>Total</b>	<b>764.81</b>	<b>1,368.79</b>

**HIGH GROUND ENTERPRISES LTD**  
**DEPRECIATION SCHEDULE ON FIXED ASSETS AS PER INCOME TAX ACT FOR THE YEAR ENDED 31ST MARCH 2017**

S.No	Particulars of Assets	GROSS BLOCK						Deprecia- tion for the year	NET BLOCK	
		Rate	WDV as on 01-04-16	Addi- tion upto 30.09.16	Addition af- ter 1.10.16	Dele- tion	Total as on 31.03.17		WDV as on 31.03.16	WDV as on 31.03.17
1	Furniture & Fixture	10%	40.69	2.83	-	-	43.52	4.35	40.69	39.17
2	Office Equipment (Mobile Phones & etc.)	15%	41.75	2.05	-	-	43.80	6.57	41.75	37.23
3	Computers & Printers	60%	4.58	3.37	0.30	-	8.25	4.86	4.58	3.39
4	Land & Building	10%	170.35	-	-	-	170.35	17.04	170.35	153.32
5	Plant & Machinery	15%	350.95	-	-	-	350.95	52.64	350.95	298.31
6	Motor Car	15%	53.64	8.00	-	-	61.64	9.25	53.64	52.39
Total			661.96	16.25	0.30	-	678.51	94.71	661.96	583.81

**High Ground Enterprise Limited**  
**(Calculation of Deferred Tax Assets/Liabilities)**

<b>(F.Y.2016-17)</b>	<b>Amount(Rs.)</b>
Depreciation as per Books of accounts	115.38
Depreciation as per Income tax schedule	94.71
TOTAL TIMING DIFFERENCE	20.67
FUTURE TAX RATE @ 34.61%	7.15
Deferred Tax Assets for the F.Y.2016-17	7.15

## INDEPENDENT AUDITOR'S REPORT

**To**  
**The Shareholders of**  
**High Ground Enterprise Ltd.**

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

- (1) We have audited the accompanying consolidated financial statements of High Ground Enterprise Ltd. ('the company') and its subsidiary companies (the company and its subsidiary companies together referred as 'the Group') which comprise the Consolidated Balance Sheet as at March 31, 2017, the Consolidated Statement of Profit and Loss, the Consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information ('the consolidated financial statements').

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

- (2) The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ('the Act') with respect to the preparation and presentation of these Consolidated financial statements that give a true and fair view of the financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act read with Rule 7 of the Companies (Accounts) Rules, 2014 as applicable. The respective Board of Directors of the Company and its subsidiary companies are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### **Auditor's Responsibility**

- (3) Our responsibility is to express an opinion on these consolidated financial statements based on our audit.

While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143 (10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

- (4) An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the

accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the consolidated financial statements. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on consolidated financial statements.

## Opinion

- (5) In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31, 2017, and its Profit and its Cash Flow for the year ended on that date.

## Report on Other Legal and Regulatory Requirements

- (6) As required by section 143 (3) of the Act, we report that:
- a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the aforesaid consolidated financial statements.
  - b. In our opinion, proper books of account as required by law have been kept by the Group so far as it appears from our examination of those books;
  - c. The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the books of account;
  - d. In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - e. On the basis of written representations received from the Directors as on March 31, 2016 taken on record by the Board of Directors, none of the Directors of the Group is disqualified as on March 31, 2017 from being appointed as a director in terms of Section 164 (2) of the Act.
  - f. In our opinion, the Group has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016, based on internal control over financial reporting criteria established by the Group. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the internal financial controls over financial reporting of the Company and its subsidiaries.
  - g. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
    - i. The Group has disclosed all its pending litigations in the notes to accounts;
    - ii. The Group did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
    - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Group.

For and on behalf of  
**Jain Chowdhary & Co.**  
Chartered Accountants  
FR No.113267W

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

**Dated:** 30th May, 2017  
**Place:** Mumbai



**HIGH GROUND ENTERPRISE LIMITED**  
Consolidated Audited Financial Statements as at 31st March, 2017

Rs.in Lakhs

	Particulars	Note	As at 31st March 2017	As at 31st March 2016
<b>I</b>	<b>EQUITY AND LIABILITIES</b>			
<b>1</b>	<b>Shareholders' Funds</b>			
	(a) Share capital	3	1,151.16	1,046.51
	(b) Reserves and surplus	4	9,226.07	8,251.89
			10,377.23	9,298.40
<b>2</b>	<b>MINORITY INTEREST</b>	5	-	
<b>3</b>	<b>Non-current liabilities</b>			
	(a) Long-term borrowings		-	-
	(b) Deferred tax liabilities (net)		-	-
	(c) Other Long Term Liabilities		-	-
	(d) Long Term Provisions		-	-
<b>4</b>	<b>Current liabilities</b>			
	(a) Short term Borrowings	6	546.94	122.91
	(b) Trade payables	7	9,754.39	10,734.66
	(c) Other current liabilities	8	787.03	571.40
	(d) Bank Borrowings	9	4,888.79	3,321.22
	(e) Short-term provisions	10	853.08	911.61
			16,830.24	15,661.80
	<b>TOTAL</b>		<b>27,207.47</b>	<b>24,960.20</b>
<b>II</b>	<b>ASSETS</b>			
<b>1</b>	<b>Non-current assets</b>			
	(a) Fixed Assets	11	545.15	644.69
	(b) Goodwill (on Consolidation)		-	-
	(c) Non Current Investments	12	5.50	3.42
	(d) Deferred Tax Assets (Net)	13	7.28	9.12
	(e) Long Term Loans and Advances		-	-
	(f) Other Non- Current Assets		-	-
<b>2</b>	<b>Current assets</b>			
	(a) Inventories		1,234.95	1,208.94
	(b) Trade Receivables	14	17,421.55	16,127.05
	(c) Cash and Bank Balances	15	133.93	569.48
	(d) Other Current Assets	16	1,612.49	1,071.55
	(e) Short Term Loans & Advances	17	6,246.62	5,325.95
	<b>TOTAL</b>		<b>27,207.47</b>	<b>24,960.20</b>
<b>III</b>	<b>Notes Forming part of the Financial statements</b>	<b>1 to 23</b>		

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

**For and on behalf of the Board of Directors**  
HIGH GROUND ENTERPRISE LIMITED

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

**Sandeep R. Arora**  
Managing Director  
DIN No. - 02587811

**Chintan Kapadia**  
Whole Time Director  
DIN No. - 01639589

**Unnati A. Amodwala**  
Company Secretary

Date: 30.05.2017  
Place: Mumbai

**HIGH GROUND ENTERPRISE LIMITED****Consolidated Audited Financial Results for the year ended 31st March 2017**

Rs.in Lakhs

	Particulars	Note	For the year ended 31st March, 2017	For the year ended 31st March, 2016
1	Net Sales/Income from Operations	18		
	Engineering Procurement Construction Management		25,865.02	19,339.52
	Media, Consulting and allied services		4,972.53	5,487.68
	Sale of Services		1,410.05	-
2	Other income (Foreign Exchange Gain/Loss)	19	11.72	870.20
3	<b>Total revenue (1+2)</b>		<b>32,259.32</b>	<b>25,697.40</b>
4	<b>Expenses</b>			
	(a) Cost of Productions/ Services	20	28,688.73	21,495.59
	(b) Employee benefits expenses	21	182.19	212.24
	(c) Finance costs	22	483.89	320.63
	(d) Depreciation and amortisation expense	11	116.10	132.90
	(e) Other expenses	23	1,000.78	1,377.20
	<b>Total expenses</b>		<b>30,471.69</b>	<b>23,538.56</b>
5	Profit / (Loss) before exceptional and extraordinary items and tax (3 - 4)		1,787.63	2,158.84
6	Extraordinary items		-	-
7	Profit / (Loss) before tax (5+6)		1,787.63	2,158.84
8	<b>Tax expense:</b>			
	(a) Current tax expense		665.19	748.28
	(b) Deferred tax		1.84	-
9	<b>Profit / (Loss) for the year (7-8)</b>		<b>1,120.60</b>	<b>1,410.56</b>
10	<b>Share of profit/(Loss) of Associate Company</b>		<b>5.01</b>	<b>2.93</b>
11	<b>Net profit after taxes, minority interest &amp; Share of Profit/(Loss) of Associate Company</b>		<b>1,125.61</b>	<b>1,413.49</b>
	Earnings per equity share of face value of Re. 1 each			
	Basic EPS before & after extra ordinary items		0.98	1.35
	Diluted EPS before & after extra ordinary items		0.98	1.38
	<b>Notes forming parts of the financial statements</b>	<b>1 to 23</b>		

\*Refer Note No. 2.23 (e) for Restated EPS of F.Y 2015-16

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

**For and on behalf of the Board of Directors**  
HIGH GROUND ENTERPRISE LIMITED

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

**Sandeep R. Arora**  
Managing Director  
DIN No. - 02587811

**Chintan Kapadia**  
Whole Time Director  
DIN No. - 01639589

**Unnati A. Amodwala**  
Company Secretary

Date: 30.05.2017

Place : Mumbai

**HIGH GROUND ENTERPRISE LIMITED**  
Consolidated Cash flow statement As at 31st March 2017

Rs.in Lakhs

Particulars		For the year ended 31st March, 2017	For the year ended 31st March, 2016
<b>Cash Flow from Operating Activities</b>			
<b>Net Profit before Tax</b>		1,787.63	2,158.84
<b>Adjustments for</b>			
Add :Depreciation/ Amortization		116.10	132.90
Interest/bank charges paid		483.89	320.63
Interest Income		(20.73)	(87.13)
Exchange Adjustments (net)		15.18	(44.15)
Provision for CSR		(40.35)	-
Preliminary Expenses W/o		0.10	-
<b>Operating Profit before working capital changes</b>		<b>2,341.82</b>	<b>2,481.09</b>
Adjustments for :			
(Increase)/Decrease in Trade and other receivables		(1,294.45)	(7,980.64)
(Increase)/ Decrease in Inventories		(26.01)	324.30
(Increase)/ Decrease in other assets		(405.97)	619.77
(Increase)/ Decrease in Loans & Advances		(920.67)	(1,934.31)
Increase/ (Decrease) in Current Liabilities		214.93	(946.23)
Increase/ (Decrease) in Short Term Borrowings		424.02	-
Increase/(Decrease) in Trade and other payables		(980.28)	5,611.98
Increase/(Decrease) in Provisions including Deferred Tax Liabilities		(57.47)	270.20
<b>Cash generated from/(used in) Operations</b>		<b>(704.08)</b>	<b>(1,553.84)</b>
Tax Expense		(665.59)	(748.28)
<b>Net Cash Flow from / (used in) Operating Activities</b>	<b>(A)</b>	<b>(1,369.67)</b>	<b>(2,302.12)</b>
<b>Cash Flow from Investing Activities</b>			
Purchase of fixed assets		(16.56)	(88.82)
Disposal of investments		-	356.59
Interest received		20.73	87.13
<b>Net Cash Flow used in investing Activities</b>	<b>(B)</b>	<b>4.17</b>	<b>354.90</b>
<b>Cash Flow from Financing Activities</b>			
Proceeds from Short Bank Borrowings		1,567.57	1,064.30
Repayment of Short Term Borrowings		-	(33.76)
Share & Warrant Application Money		-	(772.61)
Share Premium		(104.65)	2,320.72
Capital Reserves		-	116.52
Foreign Exchange Loss		(15.18)	44.15
Proposed Dividend with DDT		(138.55)	(125.96)
Issue of Shares		104.65	107.68
Interest paid/ Bank charges paid		(483.89)	(320.63)
<b>Net Cash Flow from Financing Activities</b>	<b>(C)</b>	<b>929.95</b>	<b>2,400.41</b>
<b>Net Increase / (Decrease) in Cash and Cash Equivalents (A + B + C)</b>		<b>(435.55)</b>	<b>453.19</b>
Opening Cash and Cash Equivalents		569.48	116.29
<b>Closing Cash and Cash Equivalents</b>		<b>133.93</b>	<b>569.48</b>

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

**For and on behalf of the Board of Directors**  
HIGH GROUND ENTERPRISE LIMITED

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Managing Director  
DIN No. - 02587811

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Whole Time Director  
DIN No. - 01639589

**Unnati A. Amodwala**  
Company Secretary

Date: 30.05.2017  
Place : Mumbai

## Notes forming part of Financial Statements

### 1. Corporate Information

High Ground Enterprise Limited ("the company") and its subsidiaries (collectively referred to as "the Group") comprises of:

Name of the Company	Status of company	Remarks
High Ground Enterprise Limited	Parent Company	Consolidation as per Accounting Standard 21 issued by The Institute of Chartered Accountants of India
HGEL Integrated Private Limited	Subsidiary Company	
Color Bar Private Limited	Subsidiary Company	
Chitra Talent Management Private Limited	Associate Company	Consolidation as per Accounting Standard 23 issued by The Institute of Chartered Accountants of India

The Holding Company (High Ground Enterprise Ltd.) has paid to Rikvin PTE Ltd. (Singapore) an amount of Rs. 3.86 Lakhs in January 2017 as incorporation expenses towards formation of Foreign Subsidiary Company namely HGEL INTERNATIONAL PTE LTD. The company had not commenced its operations and hence it was not considered for Consolidation for the year ended 31.03.2017.

The Group is engaged in Engineering, Procurement, Construction Management (EPCM), Media, Consulting and Allied services.

The Group is also engaged in the business of Exporters, Importers, distributors, merchants, traders, stockist and buy, sell, distribute, or otherwise deal in mining activities, works contract, electric and electrical machines, tool, hardware material, industrial goods, commercial goods, consumer goods, house-hold goods, agricultural goods and products, steel items, plastic items, acrylic items, acrylic, medicine, general merchandise, plastic products, iron and steel, merchandise and equipments, building, construction materials, nylon synthetics, packing materials, paper board, pulp products, jewellery, diamonds, precious metals, groceries and any other goods or merchandises on ready or forward basis.

Further, the Group shall act as broker, trader, agent, C & F agent, shipper, commission agent, distributor, representative, franchiser, consultant, collaborator, stockiest, liasioner, job worker, export house of goods, merchandise, fashions, including by- products, spares or accessories thereof, on retail as well as on wholesale basis.

Further, the Group shall also, carry on in India or elsewhere the business of prospecting, exploring, operating and working on mines, quarries, set, crush, smelt, manufacture, process, excavate, dig, break, acquire, develop, exercise, turn to account, survey, produce, prepare, remove, undertake, barter, convert, finish, load, unload, handle, transport, buy sell, import, export, supply, and to act as agent, broker, distributor, consultant, contractor, manager, operator or otherwise to deal in all sorts of presents and future ores, minerals, deposits, goods, substances & materials, including sands, stones, and soils, chalk, clay, china clay, betonies, broils, calcite and coal, lignite, rockphosphate, brimstone, brine, bauxite, limestone, precious and other allied materials, by products, mixtures, blends, residues & substances, and to do all incidental acts and things necessary for the attainment of the objects under these presents and to search, survey, discover and find out and the acquire by concession, grant, purchase, barter, lease, license, degrees & tenders the allotment or otherwise of land or water area from government, semi-government, local authorities, private bodies, corporations and other persons, such rights, powers, and privileges whatsoever for obtaining mines, open cast mines, bucket mines, quarries, deposits, etc. for the accomplishment of the above objects.

The Group is to carry on the business of vision engineering, production. Post production, direction, distribution, creation and designing, animating, compositing, of graphics and complex special effects for

animation films, tele-films, advertisement films, feature films, documentaries, newspapers, magazines, brochures or otherwise on video, films, television, H.D. television or any other digital format in India and abroad with the use of all kinds of sophisticated hi-tech computers, processors, recorders and other equipments and to convert, digitise, colour correct, upgrade, restore and archive various photographic, audio and video content from one format to another for various platforms and to acts as distributors or buyers and sellers of , merchants and dealers in cinematograph films, records, tapes and apparatus required for recording or reproducing sights and sounds and all rights to produce, distribute or exhibit any performance, distribute or exhibit of any performance, entertainment content or event by means of films, records or other apparatus in digital or analogue format.

The Registered Office of the company is situated at 2, Om Heera Panna Mall, 2nd Floor, Oshiwara, Andheri (W), Mumbai - 400053. The Company is engaged in Media, Consulting and Allied services.

## **2. Significant Accounting Policies**

### **2.1 Basis of preparation:**

The financial statements have been prepared in accordance with the Generally Accepted Accounting Principles in India to comply with the Accounting Standards specified under Section 133 of Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the relevant provisions of the Companies Act, 2013 ("the 2013 Act") / Companies Act, 1956 ("the 1956 Act"), as applicable.

### **2.2 Principles of consolidation:**

The financial statements of the subsidiary companies used in the consolidation are drawn up to the same reporting date as of the Company. The consolidated financial statements have been prepared on the following basis:

- The financial statements of the Company and its subsidiary companies have been combined on a line-by-line basis by adding together like items of assets, liabilities, income and expenses. Inter-company balances and transactions and unrealised profits or losses have been fully eliminated.
- The share of profit / loss of associate companies is accounted under the 'Equity method' as per which the share of profit / loss of the associate company has been adjusted to the cost of investment. An associate is an enterprise in which the investor has significant influence and which is neither a subsidiary nor a joint venture.
- The excess of the cost to the parent of its investments in a subsidiary over the parent's portion of equity at the date, on which investment in the subsidiary is made, is recognised as 'Goodwill (on consolidation)'. When the cost to the parent of its investment in a subsidiary is less than the parent's portion of equity of the subsidiary at the date on which investment in the subsidiary is made, the difference is treated as 'Capital Reserve (on consolidation)' in the consolidated financial statements.
- Minority interest in the net assets of consolidated subsidiaries consists of the amount of equity attributable to the minority shareholders at the dates on which investments in the subsidiary companies are made and further movements in their share in the equity, subsequent to the dates of investments.
- On disposal of a subsidiary, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

### **2.3 Use of estimates:**

The preparation of financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities,

income, expenses and disclosures of contingent liabilities at the date of these financial statements. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed at each balance sheet date. Revisions to accounting estimates are recognized in the period in which the estimate is revised and future periods affected.

## 2.4. Inventories

### a) Engineering Procurement Construction Management Division:

- (i) Raw materials are valued at cost, net of Excise duty and Value Added Tax, wherever applicable. Stores and spares, loose tools are valued at cost except unserviceable and obsolete items that are valued at estimated realizable value thereof. Costs are determined on Weighted Average Method.
- (ii) Stores, spares and material at construction site are valued and stated at lower of cost or net realisable value. The Weighted Average Method of inventory valuation is used to determine the cost.
- (iii) Work-in-Progress on construction contracts reflects value of material inputs and expenses incurred on contracts including estimated profits in evaluated jobs.
- (iv) Finished Goods are valued at cost or net realizable value, whichever is lower. Costs are determined on Weighted Average Method.

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

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

- (i) New film where principal rights, generally theatrical, satellite and video rights, have been sold, stock of residual rights are valued at values estimated by the management which would not exceed the relevant cost.
- (ii) Stock of rights in respect of old films are valued at full cost for a period of twelve months from the date of purchase and, thereafter at appropriate realisable values as estimated by the management not exceeding the cost. All kinds of film, rights are reviewed by the management at the end of each reporting period to determine fall in values, if any, based on expected future realizability of such rights.
- (iii) Inventories related to films under production are stated at acquisition and production cost plus relevant overhead cost and capitalised interest net of any amounts received from third party investors.

## 2.5. Cash Flow statement

Cash flow statements are prepared using the Indirect method.

## 2.6. Revenue Recognition

### a) Engineering Procurement Construction Management Division

#### (i) Construction contract revenues:

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

Construction contracts are progressively evaluated at the end of each accounting period. On contracts under execution which have reasonably progressed, profit is recognised by evaluation of the percentage of work completed at the end of the accounting period, whereas, foreseeable losses are fully provided for in the respective accounting period.

(ii) Engineering Services

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

b) Media, Consulting and Allied Services Division

- i. Sale of rights is recognised on effective delivery of materials to customers as per terms of the sale agreements. Digital and other new media revenues are recognised at the earlier of when the content is accessed or if licensed, the date the revenue is contracted or declared.
  - ii. Revenue from theatrical distribution of films is recognised on exhibition of films. In case of distribution through theatres, revenue is recognised on the basis of box office reports received from various exhibitors. In case of distribution of films on commission basis, revenue is recognised inclusive of share of sub-distributor. Overflow from the distributors is accounted when reported.
  - iii. Advertisement revenue (net of agency commission) is recognized when the related advertisement or commercial appears before the public i.e. on telecast. Subscription revenue is recognized on completion of service.
- c) The revenue is to be recognized from the sale of stones from the quarry.
- d) The Company generates revenue from the business in India of making, producing, exhibiting, distributing, leasing, letting on hire and exploiting all entertainment and media formats such as cinema, Television films, motion pictures, animations, digital films, documentaries and generally to manufacture, buy hire, sell or let on hire or otherwise deal in cinematography, television and other films and video recordings and photographic or other apparatus, articles, plant, machineries and accessories capable of being used in connection with the business of the company, and to do the business of content provider and footage provider for terrestrial Television, Satellite channels, website, Internet and all-digital, electronic and virtual media also for the above purpose to act as a Broker, Buyer, Seller, Reseller, Representative, Franchiser, Organizer, Sponsor, in India or elsewhere in the world.

Further, revenue from the above stated services are recognized when the related services are provided on the basis of agreement for providing such services made between the concerned parties.

- e) Dividend from investments is recognized when the right to receive the payment is established and when no significant uncertainty as to measurability or collectability exists.
- f) Interest income is recognized on the time basis determined by the amount outstanding and the rate applicable and where no significant uncertainty as to measurability or collectability exists.
- g) Revenue from other services is recognised as and when such services are completed / performed.



## **2.7. Fixed assets**

- Tangible fixed assets are stated at cost, net of accumulated depreciation and impairment losses, if any. Cost includes all expenses incurred to bring the assets to its present location and condition.
- Intangible assets acquired are measured on initial recognition at cost. Intangible assets are carried at cost less accumulated amortisation and impairment loss, if any.

## **2.8. Depreciation / Amortisation on tangible and intangible assets**

Depreciation on tangible assets is provided over the useful lives of assets as estimated by the Company. Depreciation for assets purchased/ sold during a period is proportionately charged. Intangible assets are amortised over their respective individual estimated useful lives.

## **2.9. Impairment**

At each balance sheet date, the management reviews the carrying amounts of its assets to determine whether there is any indication that those assets were impaired. If any such indication exists, the recoverable amount of the assets is estimated in order to determine the extent of impairment. Recoverable amount is the higher of an asset's net selling price and value in use. In assessing value in use, the estimated future cash flows expected from the continuing use of the asset and from its disposal are discounted to their present value using a pre-tax discount rate that reflects the current market assessments of time value of money and risks specific to the asset.

## **2.10. Transactions in foreign currencies**

### **Exchange differences**

Transactions in foreign currencies are recorded at the exchange rates prevailing on the date of the transaction. Foreign currency monetary assets and liabilities are translated at year end exchange rates.

- (1) Exchange differences arising on settlement of transactions and translation of monetary items other than those covered by point number 2 below are recognized as income or expense in the year in which they arise. Exchange differences considered as borrowing cost are capitalized to the extent these relate to the acquisition / construction of qualifying assets and the balance amount is recognized in the Statement of Profit and Loss.
- (2) On consolidation, the assets, liabilities and goodwill or capital reserve arising on the acquisition, of the Group's overseas operations are translated at exchange rates prevailing on the balance sheet date. Income and expenditure items are translated at the average exchange rates for the year/ month. Exchange differences arising in case of Integral Foreign operations are recognized in the Statement of Profit and Loss and exchange differences arising in case of Non Integral Foreign Operations are recognized in the Group's Translation Reserve classified under Reserves and surplus.

## **2.11. Investments**

- (i) Long term investments are stated at cost less other than temporary diminution in value, if any.
- (ii) Investment in associate companies are accounted as per the 'Equity method', and accordingly, the share of post-acquisition reserves of each of the associate companies has been added to / deducted from the cost of investments.

- (iii) Current investments are stated at lower of cost and fair value. Fair value of investments in mutual funds is determined on portfolio basis.

## 2.12. Employee Benefit Accounting

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

## 2.13. Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale, are capitalised as part of the cost of respective asset. All other borrowing costs are expensed in the period they occur.

## 2.14. Segments

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

### Primary Segment Information

(Rs. In Lakhs)

Particulars	EPCM	MCAS	Mining	Total	EPCM	MCAS	Mining	Total
	F.Y.2016-17				F.Y.2015-16			
Segment Revenue								
External Sales	25,865.02	4972.53	1410.05	32,247.60	19,339.52	5,487.68	-	24,827.20
Other Income	5.71	5.88	0.13	11.72	685.88	184.32	-	870.20
Total Revenue	25,870.73	4978.41	1410.18	32,259.32	20,025.40	567.20	-	25,697.40
Segment Result								
Operating Profit	1,983.37	422.91	(134.78)	2271.50	2,165.40	314.07	-	2,479.47
Interest Expense	411.64	71.98	0.26	483.88	266.77	53.81	0.05	320.63
Tax Expense	552.44	114.58	-	667.02	657.08	91.20	-	748.28
Profit after Tax	1,019.29	236.35	(135.04)	1,120.60	1,241.55	169.06	(0.05)	1,410.56

(Rs. In Lakhs)

	FY 2016-17			FY 2015-16		
Particulars	Segment Assets	Segment Liabilities	Depreciation/Amortization	Segment Assets	Segment Liabilities	Depreciation/Amortization
<b>EPCM</b>	16,619.33	20,486.57	-	14,457.09	14,681.36	-
<b>MCAS</b>	6,972.48	3,019.86	-	8,633.61	5,027.31	-
<b>Mining</b>	1,850.27	1,850.27	-	115.13	114.13	-
<b>Unallocated</b>	1,765.39	1,850.77	116.10	1,754.36	5,137.39	132.90
<b>Total</b>	<b>27,207.47</b>	<b>27,207.47</b>	<b>116.10</b>	<b>24,960.19</b>	<b>24,960.19</b>	<b>132.90</b>

## Secondary Segment Information

Particulars	India	Outside India	Total	India	Outside India	Total
	FY 2016-17			FY 2015-16		
Revenue	32,259.32	-*	32,259.32	25,697.40	-*	25,697.40
Carrying amount of assets	545.15	-	545.15	644.69	-	644.69

\* There has been no revenue from "Outside India" during the year. The forex gain reflected in our report is gain due to fluctuation of forex rates for valuation of debtors.

### Notes for segment reporting:

- Geographical segment and its composition are India and Rest of the world.
- The Company has identified India and Rest of the world as Geographical segments for secondary segment reporting. Geographical sales are segregated based on the location of the customer who is invoiced or in relation to which the sale is otherwise recognized.

## 2.15. Related party disclosures for the F.Y.2016-17:

### Key Management Personnel:

Pursuant to the provisions of section 203 of the Act, the key managerial personnel of the Company are:

Name of the Key Personnel	Designation
Sandeep R. Arora	Managing Director
Chintan Kapadia	Whole Time Director
Unnati A. Amodwala	Company Secretary

## 2.16. Leases

### a. Finance lease

Assets acquired under finance leases are recognized at the lower of the fair value of the leased assets at inception and the present value of minimum lease payments. Lease payments are apportioned between the finance charge and the outstanding liability. The finance charge is allocated to periods during the lease term at a constant periodic rate of interest on the remaining balance of the liability. Assets given under finance leases are recognized as receivables at an amount equal to the net investment in the lease and the finance income is based on a constant rate of return on the outstanding net investment.

### b. Operating lease

Leases other than finance lease are operating leases and the leased assets are not recognized on the Company's Balance Sheet. Payments under operating leases are recognized in the Statement of Profit and Loss on a straight line basis over the lease term.

## 2.17. Earnings per Share

Basic earnings per share is computed and disclosed using the Weighted Average number of equity shares outstanding during the year. Dilutive earnings per share is computed and disclosed using the weighted average number of equity and dilutive equity equivalent shares outstanding during the year, except when the results would be anti-dilutive.

## 2.18. Income taxes

Tax expense comprises of current and deferred taxes. Current taxes are determined based on respective taxable income of each taxable entity and tax rules applicable for respective tax jurisdictions.

Deferred tax is recognized, on timing differences, being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax assets in respect of unabsorbed depreciation and carry forward of losses are recognized if there is virtual certainty that there will be sufficient future taxable income available to realize such losses. Such deferred tax assets and liabilities are computed separately for each taxable entity and for each taxable jurisdiction.

Deferred tax assets and liabilities are measured based on the tax rates that are expected to apply in the period when asset is realized or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date.

The tax expense is not comparable with the profit before tax, since it is consolidated on a line-by-line addition for each subsidiary company and no tax effect is recorded in respect of consolidation adjustments. This accounting treatment is as per accounting standard AS-21.

## 2.19. Provisions, Contingent Liabilities and Contingent Assets

- (a) Provisions involving substantial degree of estimation in measurement are recognized when there is present obligation as a result of past events and it is probable that there will be an outflow of resources. Provisions are recognized if, as a result of a past event, the company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognized as interest expenses.
- (b) Contingent liabilities are not recognized but are disclosed in the notes. Contingent assets are neither recognized nor disclosed in the financial statements.

The Group has recognised as Contingent Liability of Rs. 1,628.38 lakhs of Income Tax and of Rs. 70.87 lakhs for TDS dues which are disputable in various forums at Income Tax and TDS departments.

## 2.20. Financial guarantees

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

## 2.21. Accounting changes

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

## 2.22. Reclassifications

- Figures pertaining to the subsidiary companies have been reclassified wherever necessary to bring them in line with the Group financial statements.
- Previous years' figures have been recast / restated.

## 2.23. OTHER NOTES:

### a Managerial Remuneration

Remuneration paid or provided in accordance with Section 197 of Companies Act, 2013 to Managing Director and whole time Director is as under:

(Rs. In Lakhs)

Particulars	FY 2016-17	FY 2015-16
	Consolidated	Consolidated
Director's Remuneration	74.00	57.94

### b Payment to Auditors

(Rs. In Lakhs)

Particulars	FY 2016-17	FY 2015-16
	Consolidated	Consolidated
Audit & Tax Audit Fees	6.09	2.00
Certification & tax representation	-	0.71
Other matters	0.05	1.21

### c Foreign Exchange

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

(Rs. In Lakhs)

Particulars	FY 2016-17	FY 2015-16
	Consolidated	Consolidated
Foreign Currency Trade receivables	739.93	755.10

### d. Earnings in Foreign Exchange:

(Rs. In Lakhs)

Particulars	FY 2016-17	FY 2015-16
	Consolidated	Consolidated
Foreign Exchange Gain / (Loss)	(15.18)	44.15

### e. Earnings per Share

(Rs. In Lakhs)

Particulars	FY 2016-17	FY 2015-16
	Consolidated	Consolidated
Profit after Tax	1,125.61	1,410.55
Basic & Diluted EPS before extra ordinary items	0.98 & 0.98	1.35 & 1.38
Basic & Diluted EPS after extra ordinary item	0.98 & 0.98	1.35 & 1.38

As per AS 20, previous year EPS for Consolidated Financials has to be restated to include the impact of bonus shares issued during the year in order to facilitate a valid comparison of EPS. Therefore, the Restated Basic & Diluted EPS for F.Y 2015-16 is 1.23 & 1.25 respectively.

### f. Corporate Social Responsibility:

As per Section 135 of the Companies Act, 2013, a company, meeting the applicability threshold, needs

to spend at least 2% of its average net profit for the immediately preceding three financial years on corporate social responsibility (CSR) activities. The areas for CSR activities are eradication of hunger or malnutrition, promoting education, art and culture, healthcare and rural development projects. The funds were primarily allocated to a corpus and utilised through the year on these activities which are specified in Schedule VII of Companies Act, 2013.

Though the company had not made any CSR provision in F.Y 2015-16 but an amount of Rs. 25 lakhs were spent by the company on CSR activities during the current year so as to comply with the provision in spirit.

For the F.Y 2016-17, the company has provided for an amount of Rs. 40.35 lakhs towards CSR activities.

g. Consolidated SBN Disclosure for the Group:

The Details of Specified Bank Notes (SBN) held and transacted for the Group during the period from 8th November 2016 to 30th December, 2016 as provided in the Table below: -

Particulars	SBNs	Other Denomination Notes	Total
Closing cash in hand as on 08.11.2016	14,20,000	58,82,209	73,02,209
Add: Permitted Receipts	-	9,42,308	9,42,308
Less: Permitted Payments	-	25,18,132	25,18,132
Less: Amount deposited in Banks	14,20,000	-	14,20,000
Closing cash in hand as on 30.12.2016	-	43,06,385	43,06,385

### 3. SHARE CAPITAL

(Rs. In Lakhs)

Particulars	FY 2016-17	FY 2015-16
	Consolidated	Consolidated
<b>Authorised</b>		
15,00,00,000 Equity Shares of Re. 1 each	1,500.00	-
11,000,000 Equity Shares of Rs 10 each	-	1,100.00
Issued, subscribed and paid up		
<b>11,51,15,949 Equity Shares of Re. 1 each fully paid up</b>	<b>1,151.16</b>	<b>-</b>
<b>10,46,50,863 Equity Shares of Re. 1 each fully paid up</b>	<b>-</b>	<b>1,046.51</b>
<b>TOTAL</b>	<b>1,151.16</b>	<b>1,046.51</b>

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

Particulars	FY 2016-17		FY 2015-16	
	Consolidated		Consolidated	
	Number of equity share	Rs. In Lakhs	Number of equity share	Rs. In Lakhs
At the beginning of the year	104,650,863	1046.51	94,082,620*	940.82
Add: Conversion of Warrants into equity Share / Issue of Bonus Shares	10,465,086	**104.65	10,568,243	105.68
<b>Closing Balance</b>	<b>115,115,949</b>	<b>1,151.16</b>	<b>10,46,50,863</b>	<b>1,046.50</b>

\* The company has split Rs. 10 share into Re.1 share during the year and hence the number of shares has been increased proportionately.

\*\* The company has issued Bonus equity shares in the ratio of 10 : 1 during the current financial

### 4. RESERVES AND SURPLUS

(Rs. In Lakhs)

Particulars	FY 2016-17	FY 2015-16
	Consolidated	Consolidated
<b>(a) General Reserve</b>		
As per last Balance Sheet	451.01	168.51
<b>Add : Transferred from Statement of Profit &amp; Loss Account</b>	<b>-</b>	<b>282.50</b>
<b>Closing Balance</b>	<b>451.01</b>	<b>451.01</b>
<b>(b) Surplus in Profit &amp; Loss Account</b>		
As per last Balance Sheet	2,231.71	1,227.21
Add : Profit for the year	1,255.65	1,412.96
<b>Add: Share of Profit of Associate Firm</b>	<b>5.01</b>	<b>2.93</b>
Total	3,492.37	2,643.10
Less : Appropriations		
Proposed Dividend	138.55	125.96
Transfer to General Reserves	-	282.50
Provision for CSR	40.35	-
<b>Closing Balance</b>	<b>3,313.47</b>	<b>2,234.64</b>
<b>(c) Share Premium</b>	<b>5,345.07</b>	<b>5,449.72</b>
<b>(d) Capital Reserves</b>	<b>116.52</b>	<b>116.52</b>

<b>Total=(a+b+c+d)</b>	<b>9,226.07</b>	<b>8,251.89</b>
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## 5. MINORITY INTEREST

The amount of "Minority Interest" so worked out is very less and hence considered insignificant / non-material for the purpose of reporting herein above.

## 6. SHORT TERM BORROWINGS

(Rs. In Lakhs)

<b>Particulars</b>	<b>FY 2016-17</b>	<b>FY 2015-16</b>
	<b>Consolidated</b>	<b>Consolidated</b>
Unsecured Loans		
High Ground Enterprise Limited	243.78	121.25
Sandeep. R. Arora	2.16	1.66
Krishna Arjun Buildtech Pvt Ltd	301.00	-
<b>Total</b>	<b>546.94</b>	<b>122.91</b>

## 7. TRADE PAYABLES

(Rs. In Lakhs)

<b>Particulars</b>	<b>FY 2016-17</b>	<b>FY 2015-16</b>
	<b>Consolidated</b>	<b>Consolidated</b>
Engineering Procurement Construction Management	6,379.80	7,673.99
Media Consulting & Allied Services	1,998.80	3,056.93
Advance received from Lord Dhanwantry Networks Pvt. Ltd.	3.00	3.00
United Brothers (Books & Periodicals)	-	0.09
Vega Solutions Pvt Ltd (Maintenance Chg.)	0.20	0.20
ITSY (Payable for Domain name registration)	-	0.14
Amit Dadheech & Associates (Professional fees payable)	0.40	0.31
Chitra Talent Management Pvt Ltd	46.00	-
Creative Timeline Pvt Ltd	0.67	-
Sunil Kamat	0.59	-
Others	1,324.93	-
<b>Total</b>	<b>9,754.39</b>	<b>10,734.66</b>

## 8. OTHER CURRENT LIABILITIES

(Rs. In Lakhs)

<b>Particulars</b>	<b>FY 2016-17</b>	<b>FY 2015-16</b>
	<b>Consolidated</b>	<b>Consolidated</b>
TDS Payable	367.02	418.24
Service Tax Payable	285.27	68.15
Unclaimed Dividend	12.86	12.86
Electricity Expenses Payable	0.47	0.78
Internet Expenses Payable	-	0.02
Professional Fees Payable	-	1.58
Profession Tax Payable	0.04	0.31
Salary Payable	0.34	0.34
Telephone Expenses Payable	0.01	0.01
Corporate Tax Payable	0.20	0.20
Provident Fund	0.07	0.11



ESIC Payable	0.01	1.22
Director's Remuneration	-	1.04
Works Contract Tax Payable	119.06	66.54
Provision for Income Tax	1.69	-
<b>Total</b>	<b>787.03</b>	<b>571.40</b>

## 9. BANK BORROWING

(Rs. In Lakhs)

Particulars	FY 2016-17	FY 2015-16
	Consolidated	Consolidated
Bank of Baroda CC A/C	4,639.59	2,914.33
Karnataka Bank Ltd.-OD-A/c	-	86.55
Karnataka Bank Ltd.-Term Loan	-	295.64
Bank of Baroda - Term Loan	234.00	-
ICICI Car Loan	7.33	12.14
HDFC Bank Ltd.-Car Loan A/C	7.87	12.56
<b>Total</b>	<b>4,888.79</b>	<b>3,321.22</b>

## 10. SHORT TERM PROVISIONS

(Rs. In Lakhs)

Particulars	FY 2016-17	FY 2015-16
	Consolidated	Consolidated
Provision for Tax (Including earlier years)	612.91	747.95
DDT Payable (F.Y.2014-15)	-	20.27
Proposed dividend with DDT	138.55	125.96
Directors' Remuneration Payable	16.45	-
Provision for CSR	40.35	-
Provision - Others	44.82	17.43
<b>Total</b>	<b>853.08</b>	<b>911.61</b>

Schedule-11  
AS AT 31.03.2017  
DEPRECIATION AS PER COMPANIES ACT,2013

NAME OF THE ASSET	RATE	GROSS BLOCK			DEPRECIATION / AMORTIZATION				NET BLOCK	
		Open- ing as at 01/04/2016	ADDI- TIONS DURING THE YEAR	SOLD DURING THE YEAR	AS AT MARCH 31,2017	UPTO APRIL 1,2016	DEDUC- TIONS DURING THE YEAR	DURING THE YEAR	AS AT MARCH 31,2017	AS AT MARCH 31,2016
Land & Buildings	4.87%	210.32	-	-	210.32	20.20	-	9.26	180.86	190.12
Computer & Peripherals	63.16%	15.50	3.67	-	19.17	9.40	-	5.68	4.09	6.10
Motor Car	31.23%	61.93	8.00	-	69.93	11.63	-	18.21	40.09	50.30
Plant & Machinery	18.10%	484.34	-	-	484.34	145.65	-	61.30	277.39	338.69
Furniture & Fixtures	25.89%	48.61	2.83	-	51.44	15.95	-	8.85	26.64	32.66
Office Equipment	45.07%	54.32	2.05	-	56.38	27.50	-	12.80	16.08	26.82
Total		875.02	16.55	-	891.58	230.33	-	116.10	545.15	644.69

## 12. NON CURRENT INVESTMENTS

(Rs. In Lakhs)

Particulars	FY 2016-17	FY 2015-16
	Consolidated	Consolidated
Chitra Talent Management Pvt.ltd. (Associate company)	0.49	0.49
Add: Share of profit of associate company	5.01	2.93
<b>Total</b>	<b>5.50</b>	<b>3.42</b>

## 13. DEFERRED TAX ASSETS

(Rs. In Lakhs)

Particulars	FY 2016-17	FY 2015-16
	Consolidated	Consolidated
Depreciation as per Books of accounts	116.10	132.94
Depreciation as per Income tax schedule	95.01	106.58
<b>TOTAL TIMING DIFFERENCE</b>	<b>21.09</b>	<b>26.36</b>
<b>Deferred Tax Assets / (Liabilities) for the F.Y.2016-17</b>	<b>7.28</b>	<b>9.12</b>

## 14. TRADE RECEIVABLES

(Rs. In Lakhs)

Particulars	FY 2016-17	FY 2015-16
	Consolidated	Consolidated
Unsecured considered good unless otherwise stated		
(a) Debts outstanding for a period exceeding six months considered good	1,110.18	1,114.62
(b) Other Debts	16,311.37	15,012.43
<b>Total</b>	<b>17,421.55</b>	<b>16,127.05</b>

## 15. CASH AND BANK BALANCES

(Rs. In Lakhs)

Particulars	FY 2016-17	FY 2015-16
	Consolidated	Consolidated
(a) Cash on Hand	61.25	14.79
(b) Balances with Banks in current accounts	72.68	554.69
<b>Total</b>	<b>133.93</b>	<b>569.48</b>

## 16. OTHER CURRENT ASSETS

(Rs. In Lakhs)

Particulars	FY 2016-17	FY 2015-16
	Consolidated	Consolidated
Security Deposits	465.32	155.84
Loans and advances to employees	3.95	3.22
Work Contract Tax	0.08	-
VAT receivable	39.27	16.76
TDS receivable	745.12	590.72
Input Service Tax	2.62	-
Accrued Interest on FD	11.88	14.16
FD With Karnataka Bank Ltd.	-	25.00
FD with BOB,AP	-	0.50

FD with BOB	-	62.14
FD with UBI, Bhopal	-	0.50
Prepaid Expenses	28.91	-
Others	177.52	199.85
Preliminary Expenses	0.36	0.45
Miscellaneous Assets (Profit & Loss A/C)	137.45	2.41
<b>Total</b>	<b>1,612.49</b>	<b>1,071.55</b>

**17. SHORT TERM LOANS AND ADVANCES**

(Rs. In Lakhs)

Particulars	FY 2016-17	FY 2015-16
	Consolidated	Consolidated
Loans & Advances to Corporate entities	6,004.90	5,071.08
Loans & Advances to Non Corporate entities	241.72	254.87
<b>Total</b>	<b>6,246.62</b>	<b>5,325.95</b>

**18. REVENUE FROM OPERATIONS**

(Rs. In Lakhs)

Particulars	FY 2016-17	FY 2015-16
	Consolidated	Consolidated
Net Sales / Income from Operation		
Engineering Procurement Construction Management	25,865.02	19,339.52
Media, Consulting and Allied services	4,972.53	5,487.68
Sales of Services	1,410.05	-
<b>Total</b>	<b>32,247.60</b>	<b>24,827.20</b>

**19. OTHER INCOME**

(Rs. In Lakhs)

Particulars	FY 2016-17	FY 2015-16
	Consolidated	Consolidated
Foreign Exchange Gain/(Loss)	(15.18)	44.15
Interest	20.86	87.13
Liabilities No longer required	0.01	709.15
Distribution income	5.87	20.00
Others	0.16	9.77
<b>Total</b>	<b>11.72</b>	<b>870.20</b>

**20. OPERATIONAL COST**

(Rs. In Lakhs)

Particulars	FY 2016-17	FY 2015-16
	Consolidated	Consolidated
<b>Cost of Productions / Services</b>		
<b>Engineering Procurement Construction Management</b>		
Opening Work in Progress/Stock	123.65	174.06
Add: Costs / services incurred during the year	23,313.32	16,572.60
Less: Closing work in Progress/ Stock	149.66	123.65
<b>Total Costs/Services for the year (a)</b>	<b>23,287.31</b>	<b>16,623.01</b>

<b>Media, Consulting and allied services</b>		
Opening Projects in Progress	1,085.29	1,358.87
Add: Costs / services incurred during the year	4,066.49	4,599.00
Less: Closing projects in Progress	1,085.29	1,085.29
<b>Total Costs/Services for the year (b)</b>	<b>4,066.49</b>	<b>4,872.58</b>
Others		
Opening Projects in Progress	-	-
Add: Costs / services incurred during the year	1,334.93	-
Less: Closing projects in Progress	-	-
<b>Total Costs/Services for the year (c)</b>	<b>1,334.93</b>	<b>-</b>
<b>Total (a)+(b)+(c )</b>	<b>28,688.73</b>	<b>21,495.59</b>

## 21. EMPLOYEE BENEFIT EXPENSES

(Rs. In Lakhs)

Particulars	FY 2016-17	FY 2015-16
	Consolidated	Consolidated
Salaries and Wages	165.54	191.98
Staff Welfare expenses	15.32	19.98
PF / ESIC Employer share	1.33	0.23
Profession Tax - Directors	-	0.05
<b>Total</b>	<b>182.19</b>	<b>212.24</b>

## 22. FINANCE COST

(Rs. In Lakhs)

Particulars	FY 2016-17	FY 2015-16
	Consolidated	Consolidated
Interest Expenses on :		
(i) Bank Loans	435.33	301.34
(ii) Others	-	1.23
Bank Charges	48.56	18.06
<b>Total</b>	<b>483.89</b>	<b>320.63</b>

## 23. OTHER EXPENSES

(Rs. In Lakhs)

Particulars	FY 2016-17	FY 2015-16
	Consolidated	Consolidated
Power and Fuel	31.48	13.50
Rent Including lease rentals	193.15	154.86
Repairs and maintenance	4.05	12.73
Insurance	5.64	0.83
Rates and Taxes	97.62	6.35
Freight Charges	-	9.71
Communication Expenses	3.85	4.99
Travelling and Conveyance	33.48	27.66
Printing and Stationery	8.56	7.75
Business Promotion	52.38	59.99
Donations and Contributions	25.63	0.39

Legal & Professional Fees	126.40	43.75
Audit fees	6.14	2.76
Advertising expenses	2.06	0.95
Postage and Courier Charges	2.87	2.33
Listing /Demat Connectivity Charges	9.37	3.12
Vehicle Expenses	6.48	7.82
Bad debts/ Discount Allowed / Write off	(40.47)	591.93
Society Maintenance Charges	2.65	2.78
Office Expenses	12.71	15.77
Interest on Income tax, TDS, DDT & Penalties	174.39	21.71
Distribution exp.	25.42	361.50
Processing fees & Stamp Duty	17.03	16.21
Security charges	1.55	0.46
Profession Tax - Company	-	0.04
Internet , Web site hosting & Domain name charges	4.51	1.93
Miscellaneous Expenses	5.11	4.49
Books & Periodicals	0.16	0.09
Commission	0.55	0.30
Housekeeping expenses	-	0.46
Preliminary expenses	0.10	0.04
Lodging & Boarding Expenses	3.08	-
ISO Certification Expenses	2.94	-
Prior Period Expenses	3.99	-
Labour Charges	1.08	-
Car Rental Charges	0.11	-
CTO/CTE Mining Expenses	83.33	-
Lease - Mining	93.38	-
Total	1,000.78	1,377.20

**HIGH GROUND ENTERPRISES LTD**  
DEPRECIATION SCHEDULE ON FIXED ASSETS AS PER INCOME TAX ACT FOR THE YEAR ENDED 31ST MARCH 2017

S. No	Particulars of Assets	GROSS BLOCK						Depreciation for the year	NETBLOCK	
		Rate	WDV as on 01-04-2016	Addi- tion upto 30.09.2016	Addition af- ter 1.10.2016	Deletion	Total		WDV as on 31.03.2016	WDV as on 31.03.2017
1	Furniture & Fixture	10%	40.69	2.83	-	-	43.52	4.35	40.69	39.17
2	Office Equipment (Mo- bile Phones & etc.)	15%	41.75	2.05	-	-	43.80	6.57	41.75	37.23
3	Computers & Printers	60%	4.58	3.37	0.30	-	8.25	4.86	4.58	3.39
4	Land & Building	10%	170.35	-	-	-	170.35	17.04	170.35	153.31
5	Plant & Machinery	15%	350.95	-	-	-	350.95	52.64	350.95	298.31
6	Motor Car	15%	53.64	8.00	-	-	61.64	9.25	53.64	52.39
7	Office Equipment	15%	0.53	-	-	-	0.53	0.08	0.53	0.45
8	Computers & Printers	60%	0.18	-	-	-	0.18	0.11	0.18	0.07
9	Computers & Printers	60%	0.19	-	-	-	0.19	0.11	0.19	0.08
	<b>Total</b>		<b>662.84</b>	<b>16.25</b>	<b>0.30</b>	<b>-</b>	<b>679.41</b>	<b>95.01</b>	<b>662.84</b>	<b>584.40</b>

[Pursuant to Section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration Rules, 2014-MGT-11]

**HIGH GROUND ENTERPRISE LIMITED**

**CIN: L74999MH1986PLC222681 / email: info@highgroundenterprise.com**

**Website: www.highgroundenterprise.com**

**Name of the Company: HIGH GROUND ENTERPRISE LIMITED**

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

Proxy Form

Name of the Member(s) :
Registered address :
E-mail Id :
Folio No./Client ID No:
DP ID :

I/We, being the member(s) of \_\_\_\_\_ Shares of **High Ground Enterprise Limited**, hereby appoint

1. Name: \_\_\_\_\_  
E-mail Id: \_\_\_\_\_  
Address: \_\_\_\_\_  
\_\_\_\_\_  
Signature: \_\_\_\_\_  
or failing him

2. Name: \_\_\_\_\_  
E-mail Id: \_\_\_\_\_  
Address: \_\_\_\_\_  
\_\_\_\_\_  
Signature: \_\_\_\_\_  
or failing him

3. Name: \_\_\_\_\_  
E-mail Id: \_\_\_\_\_  
Address: \_\_\_\_\_  
\_\_\_\_\_  
Signature: \_\_\_\_\_  
or failing him

Only Member/Proxy holder can attend the Meeting.

Member/Proxy holder should bring his/her copy of the Annual Report for reference at the Meeting as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 32<sup>nd</sup> Annual General Meeting of the Company, to be held on Tuesday, September 26, 2017, at \_\_\_\_\_ at the \_\_\_\_\_, and at any adjournment thereof in respect of such resolutions as are indicated below :



Resolution No.	Resolution	Vote (Optional see Note 2) (Please mention no. of shares)		
Ordinary Business:		For	Against	Abstain
1	Adoption of Balance Sheet, Statement of Profit and Loss, Report of the Board of Directors and Auditors' Report thereon, the Directors' Report along with Management Discussion and Analysis Report and the Statement of Corporate Governance for the F.Y 2016-17			
2	To declare final dividend for the financial year ended March 31, 2017			
3	To appoint a Director in place of Mr. Arunkumar Tyagi (DIN No. 05195956),who retires by rotation and being eligible, offers himself for re-appointment.			
4.	Appointment of M/s. Jain Chowdhary & Co., (Firm Registration No. 113267W), Chartered Accountants, Mumbai, hold office up to the ensuing Annual General Meeting			

Signed this ..... September.....

Affix revenue stamp of not less than Re.1

Signature of the member

Signature of the proxy holder(s)

**Notes :**

1. This form, in order to be effective, should be duly stamped, completed, signed and deposited at the registered office of the Company, not less than 48 hours before the Annual General Meeting.
2. It is optional to indicate your preference. If you leave the 'for', 'against' or 'abstain' column blank against any or all of the resolutions, your proxy will be entitled to vote in the manner as he/she may deem appropriate.

\_\_\_\_\_

\_\_\_\_\_

## ATTENDANCE SLIP (To Be Presented At Entrance)

**HIGH GROUND ENTERPRISE LIMITED****CIN: L74999MH1986PLC222681****Registered Office: Office No. 2, Om Heera Panna Mall, 2nd Floor,  
Oshiwara, Andheri (West), Mumbai- 400053****Email: info@highgroundenterprise.com / website: www.highgroundenterprise.com**

Registered Folio No. : \_\_\_\_\_

DPIDNo. \_\_\_\_\_ ClientID No. \_\_\_\_\_

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

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

I hereby record my presence at the 32<sup>nd</sup> Annual General Meeting of the Company at the 'SVENSKA' Design Hotels, Kaza Banquets, SAB TV Road, Off Link Road, Andheri – West, Mumbai – 400 053, on Tuesday, September 26, 2017, at 4.00 p.m\_\_\_\_\_  
Name of the member / proxy\_\_\_\_\_  
Signature of the member proxy

(in BLOCK letters)

Note: Please fill up this attendance slip and hand it over at the entrance of the meeting hall. Members are requested to bring their copies of the Annual Report to the AGM.

## Notes

[illegible]

[illegible]

## Notes

[illegible]



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**Regd. Office :**

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