

**HILLTONE SOFTWARE
&
GASES LIMITED**

CIN:L72200GJ1993PLC020620

30th

**Annual Report
F.Y 2022-2023**

HILLTONE SOFTWARE AND GASES LIMITED

L72200GJ1993PLC020620

CORPORATE INFORMATION

BOARD OF DIRECTORS

Niketbhai Mahendrabhai Shah	DIN: 00278968	Managing Director
Hitalbhai Mahendrabhai Shah	DIN: 00279026	Whole-time Director
Parulben Niketkumar Shah	DIN: 07126594	Chairman and Non-Executive Director
Amitkumar Chandrakantbhai Trivedi	DIN: 08204344	Independent Director
Shaileshkumar Ambalal Patel	DIN: 08453992	Independent Director
Sunil Vishnuprasad Purohit	DIN: 08454069	Independent Director
Sapnaben Hitalbhai Shah	DIN: 08615859	Director

COMPANY SECRETARY & COMPLIANCE OFFICER

Abira Idris Mansuri(till 30.06.2023)

CHIEF FINANCIAL OFFICER

Prafullbhai Rameshchandra Makvana

STATUTORY AUDITORS

K.C.Parikh & Associates
Chartered Accountants
104, Shail, B/h.Girish Coldrinks
Opp. Madhusudan House,
C.G.Road, Ahmedabad - 380009

INTERNAL AUDITORS

BPA & Company
Chartered Accountants
14/4 , 'L' Colony ,
Nr. Sahjanand College, Ambavadi
Ahmedabad,Gujarat-.380015

SECRETARIAL AUDITORS

Hussain Bootwala & Associates
Practicing Company Secretary,
Ahmedabad

BANKERS

Mehsana Urban Co-op Bank Limited
Bank of Baroda

REGISTERED OFFICE

B/4, K B Complex, Dairy Road,
Ashram Road,Ahmedabad-380009
Mehsana Gujarat- 384002
[e-mail- secretarial.hilltone@gmail.com](mailto:secretarial.hilltone@gmail.com)

REGISTRAR & SHARE TRANSFER AGENT

Mcs Share Transfer Agent Limited
101,Shatdalcomplex,Opp:Bata Show
Room, Ashram Road,Ahmedabad-380009
email:mcsstaahmd@gmail.com
Tel- (079)26580461/62/63

GST NUMBER: 24AAACH3866Q1Z4

SECURITY CODE: CSE – 018077

ISIN NUMBER: INE168C01013

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ANNUAL REPORT F.Y 2022-23

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NOTICE

NOTICE is hereby given that **30th Annual General Meeting** of the Members of Hilltone Software and Gases Limited, will be held on **Friday, 29th September 2023 at 03.30 P.M** through Video Conferencing (“VC”) or Other Audio Visual Means (“OAVM”) to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the audited financial statements of the Company for the financial year ended on 31 March 2023 and the reports of the Board of Directors’ and Auditors’ thereon; and
2. To appoint a Director in place of Mrs. Parulben Niketkumar Shah (DIN: 07126594), who retires by rotation and being eligible, has offered herself for reappointment.
3. Re-appointment of the Statutory Auditors

To consider and, if thought fit, to pass the following Resolution as an Ordinary Resolution:

“RESOLVED THAT pursuant to Sections 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 [including any statutory modification(s) or reenactment(s) thereof for the time being in force] and pursuant to the recommendation of the Audit Committee, K. C. Parikh & Associates, Chartered Accountant, Ahmedabad (FRN No. 107550W)be and are hereby reappointed as the Statutory Auditors of the Company for the second consecutive term of five years, from the conclusion of this 30th Annual General Meeting till the conclusion of the 35th Annual General Meeting to be held in the year 2028, to examine and audit the accounts of the Company at such remuneration as may be decided by the Board of Directors in consultation with the Statutory Auditors of the Company.

SPECIAL BUSINESS

4. **Re-Appointment of Niket M. Shah (Din: 00278968) as Managing Director and Revision of Remuneration**

In this connection, if thought fit, to pass, with or without modification(s), the following resolution as a Special Resolution:

“RESOLVED THAT pursuant to the provisions of Sections 196, 197 & 203 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013 (“the Act”), The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modifications or re-enactment(s) thereof for the time being in force), approval of the members be and is hereby accorded to re-appoint Mr. Niket M. Shah, DIN: 00278968, as Managing Director of the Company for a period of 5 Years with effect from 1st April, 2023.



“RESOLVED THAT pursuant to recommendation of Nomination and Remuneration Committee and approval of the Board of Directors and in accordance with the provisions of Sections 196, 197, 198, 203, 188 and other applicable provisions, if any, of the Companies Act, 2013 (the Act), and the rules made there under (including any statutory modification or re-enactment thereof) read with Schedule-V of the Companies Act, 2013, Article of Association of the Company) approval of the members be and is hereby accorded for the revision in remuneration payable to Mr. Niketbhai Mahendrabhai Shah (**DIN: 00278968**), Managing Director of the Company with effect from 1st April, 2023 on the terms and conditions including remuneration as mentioned below:

Details of remuneration:

Salary:

Upto Rs. 2,00,000/- (Rupees Two Lakh Only) per month.

Total Salary includes:

- Basic Salary
- Car, Telephone, Cell Phone, PC shall be provided and their maintenance and running expenses shall be met by the Company.
- Other perquisites and benefits as per the rules of Company.

RESOLVED FURTHER THAT the Board of Directors of the company be and is hereby authorized to do all such acts, deeds and things which may be deemed necessary for the aforesaid appointment and revision in remuneration and to send the necessary intimation in prescribed form to Registrar of Companies, Gujarat.”

5. **Re-Appointment of Mr. Hitalbhai Mahendrabhai Shah (Din: 00279026), Whole-Time Director of The Company and Revision of Remuneration**

In this connection, if thought fit, to pass, with or without modification(s), the following resolution as a Special Resolution:

“RESOLVED THAT pursuant to the provisions of Sections 196, 197 & 203 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013 (“the Act”), The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modifications or re-enactment(s) thereof for the time being in force), approval of the members be and is hereby accorded to re-appoint re-appointment of Mr. Hital M. Shah, DIN: 00279026, as Whole Director of the Company for a period of 5 Years with effect from 1st April, 2023 .

"RESOLVED FURTHER THAT pursuant to recommendation of Nomination and Remuneration Committee and approval of the Board of Directors and in accordance with the provisions of Sections 196, 197, 198, 203, 188 and other applicable provisions, if any, of the Companies Act, 2013 (the Act), and the rules made there under (including any statutory modification or re-enactment thereof) read with Schedule-V of the Companies Act, 2013, Article of Association of the Company and) approval of the members be and is hereby accorded for the revision in remuneration payable to Mr. Hitalbhai Mahendrabhai Shah (DIN:

00279026), Whole-time Director of the Company with effect from 1st April, 2023 on the terms and conditions including remuneration as mentioned below:

Details of remuneration:

Salary:

Upto Rs. 2,00,000/- (Rupees Two Lakh Only) per month.

Total Salary includes:

- Basic Salary
- Car, Telephone, Cell Phone, PC shall be provided and their maintenance and running expenses shall be met by the Company.
- Other perquisites and benefits as per the rules of Company.

RESOLVED FURTHER THAT the Board of Directors of the company be and is hereby authorized to do all such acts, deeds and things which may be deemed necessary for the aforesaid appointment and revision in remuneration and to send the necessary intimation in prescribed form to Registrar of Companies, Gujarat.”

6. **To approve the re-appointment of Mr. Amitkumar Chandrakantbhai Trivedi (DIN: 08204344), as an Independent Director of the Company for a second term of five consecutive years**

In this connection, if thought fit, to pass, with or without modification(s), the following resolution as a Special Resolution:

“**RESOLVED THAT** pursuant to the provisions of Sections 149, 150 and 152 and other applicable provisions, if any, read along with Schedule IV to the Companies Act, 2013 (‘the Act’) [including any statutory modification(s) or re-enactment(s) thereof for the time being in force], the Companies (Appointment and Qualifications of Directors) Rules, 2014 and Regulation 17 and any other applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (‘SEBI Listing Regulations’), as amended from time to time, Mr. Amitkumar Chandrakantbhai Trivedi (DIN: 08204344 who was appointed as an Independent Director of the Company for a term of 5 (five) consecutive years commencing from August 21, 2018 upto August 21, 2023 and who being eligible for re-appointment as an Independent Director has given her consent along with a declaration that he meets the criteria for independence under Section 149(6) of the Act and the rules framed there under and Regulation 16(1)(b) of the SEBI Listing Regulations and in respect of whom the Company has received a Notice in writing from a Member under Section 160(1) of the Act proposing her candidature for the office of Director and based on the recommendation of the Nomination & Remuneration Committee and the Board of Directors of the Company, be and is hereby re-appointed as an Independent Director of the Company, not liable to retire by rotation, to hold office for a second term of 5 (five) consecutive years on the Board of the Company commencing from August 21, 2023 upto August 21, 2028.

RESOLVED FURTHER THAT the Board of Directors of the Company (including its Committee thereof) be and is hereby authorised to do all such acts, deeds, matters and things as may be necessary, expedient and desirable for the purpose of giving effect to this resolution.”

By Order of the Board of Directors
For Hilltone Software and Gases Limited

Date : 28th August, 2023
Place : Santej

Niket Shah
Managing Director
DIN: 00278968

Registered Office:
B/4, K B Complex, Dairy Road,
Mehsana Gujarat

NOTES:

1. In view of the outbreak of COVID-19 pandemic, the Ministry of Corporate Affairs ('MCA') has vide its General Circular No. 20/2020 dated 5th May, 2020 read with General Circular Nos. 14/2020 dated 8th April, 2020 and 17/2020 dated 13th April, 2020 (collectively referred to as 'MCA Circulars') and in continuation General Circular no. 02/2021 dated 13th January, 2021, and May 5, 2022 (collectively referred to as "MCA Circulars") and the Securities and Exchange Board of India vide their circulars dated May 12, 2020, January 15, 2021 and May 13, 2022 (collectively referred to as "SEBI Circulars") have permitted the holding of the Annual General Meeting ('AGM') through VC or OAVM without the physical presence of the members at the meeting. In compliance with the provisions of the Companies Act, 2013 ('Act'), Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations') and MCA Circulars, the 30th AGM of the Company is being held through VC or OAVM on Friday, 29th September, 2023 at 3.30 p.m. The deemed venue for the 30th AGM shall be the Registered Office of the Company. Therefore, members can attend and participate in the 30th AGM through VC or OAVM mode only
2. SINCE THE 30th AGM OF THE COMPANY IS BEING HELD THROUGH VC OR OAVM PURSUANT TO THE ABOVE CITED MCA CIRCULARS, THE REQUIREMENT OF PHYSICAL ATTENDANCE OF MEMBERS HAS BEEN DISPENSED WITH. ACCORDINGLY, IN TERMS OF THE MCA CIRCULARS AND LISTING REGULATIONS, THE FACILITY FOR APPOINTMENT OF PROXIES BY THE MEMBERS WILL NOT BE AVAILABLE FOR THIS AGM AND HENCE THE PROXY FORM, ATTENDANCE SLIP AND ROUTE MAP OF THE 30th AGM ARE NOT ANNEXED TO THIS NOTICE.
3. Corporate members intending to send their authorized representative to attend meeting are requested to send the Company a certified true copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the Annual General Meeting.
4. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of Names will be entitled to vote.
5. SEBI Notification No. SEBI/LAD-NRO/GN/2018/24 dated June 8, 2018 and further amendment vide Notification No. SEBI/LAD-NRO/GN/2018/49 dated November 30, 2018, requests for effecting transfer of securities (except in case of transmission or transposition of securities) shall not be processed from April 1,

2019 unless the securities are held in the dematerialized form with the depositories. Therefore, Shareholders are requested to take action to dematerialize the Equity Shares of the Company promptly.

6. The Register of Directors and Key Managerial Personnel and their shareholding, maintained under Section 170 of the Companies Act, 2013, will be available for inspection by the members at the AGM.
7. The Register of Members and Share Transfer Book of the Company will be closed from Thursday, 21 September 2023 to Thursday, 28 September 2023 (both days inclusive) for the purpose of Annual General Meeting.
8. Members holding shares in electronic form are requested to intimate immediately for any change in their address or bank mandates to their Depository Participants with whom they are maintaining their dematerialised accounts. Members holding shares in physical form are requested to advise any change in their address or bank mandates immediately to the Company or contact our Registrar and Transfer Agent i.e. MCS Share Transfer Agent Limited.
9. Members are requested to contact our Registrar and Transfer Agent for any queries related to shares and other inquiry at the following address:

MCS Share Transfer Agent Limited
Unit:Hilltone Software and Gases Limited

201, Shatdal Complex,
2ndFloor,Opp.BataShowRoom,
Ashram Road, Ahmedabad – 380 009
Phone: (079) 26582878, Fax No : (079) 26581296
E-mail: mcssta@gmail.com

1. Please quote Folio no. / DP ID & CL ID for any communication for your shareholding.
 2. Bring the copy of Annual Report at the meeting.
10. Relevant documents referred to in the Notice and the accompanying Statement are open for inspection by the Members in electronic mode up to the date of the 30th Annual General Meeting. Members can inspect the same by sending an email to the Company through their registered email id at secretarial.hilltone@gmail.com
 11. Pursuant to Regulation 36 (3) of SEBI (LODR) Regulations, 2015 with the Stock Exchanges, the details of Directors seeking appointment / re-appointment in the Annual General Meeting to be held on Friday, 30 September 2023 is attached as per Annexure I

12. Any member desiring any clarification / explanation in respect of the information given in this annual report is requested to submit query to the Company at least seven days in advance before the meeting so as to enable the management to keep information ready.
13. Pursuant to Regulations 36 of SEBI (LODR) Regulations, 2015, the soft copies of Annual Report 2022-23 is being sent through electronic mode only to the members whose email addresses are registered with the Company / Depository Participant(s), unless any member has requested for a physical copy of the report.
14. The Companies Act, 2013 has also recognized serving of documents to any Member through electronic mode. Your email addresses made available by the Depository for your respective Depository Participant accounts as part of the beneficiary position downloaded from the Depositories from time to time will be deemed to be your registered email address for serving notices / documents including those covered under Sections 101 and 136 of the Companies Act, 2013 read with Section 20 of the Companies Act, 2013 and the underlying rules relating to transmission of documents in electronic mode..
15. Members may also note that the Notice of the 30th AGM and the Annual Report 2022-23 will be available on the Company's website www.hilltonegases.com. The physical copies of the aforesaid documents will also be available at the Company's registered office for inspection during normal business hours on working days. Members who require communication in physical form in addition to e-communication, or have any other queries, may write to us at secretarial.hilltone@gmail.com.
16. To support the 'Green Initiative' of the Ministry of Corporate Affairs, the Members who have not registered their e-mail addresses are requested to register the same with MCS Share Transfer Agent Limited/Depository Participant(s) as under

For Physical shareholders:-

Please send duly signed Request Letter mentioning therein Name of shareholder, Folio No., Email ID & Mobile No. along with self-attested copy of PAN Card through email at mcsstaahmd@gmail.com

For Demat shareholders:-

Please contact your Depository Participant (DP) and register your email ID, Mobile No. & PAN No. with your DP as per the process advised by your DP.

17. The Company has a designated Email ID: "secretarial.hilltone@gmail.com" for redressal of Shareholders'/Investors complaints/grievances. In case you have any queries, complaints/grievances, then kindly write to the above mentioned email address. If any of the members are holding shares in the same name or in the same order of names, under different folios, then members are requested to notify the same to the RTA of the Company for consolidation of their shareholding into a single folio.
20. If any of the members are holding shares in the same name or in the same order of names, under different folios, then members are requested to notify the same to the RTA of the Company for consolidation of their shareholding into a single folio.
18. Securities and Exchange Board of India (SEBI) has mandated registration of Permanent Account Number(PAN) and Bank Account Details for all the securities holders. Members holding shares in physical mode are therefore, requested to register their PAN & Bank Account details by sending duly signed request letter to Company's Registrar and Transfer Agent, Link In time India Pvt. Ltd. ("RTA") on ahmedabad@linkintime.co.in and also to the Company on secretarial.hilltone@gmail.com along with the self-attested copy of PAN & cancelled cheque bearing the name of the Member (in case of joint holding, the cancelled cheque shall bear the name of first named shareholder) or self-attested copy of latest bank statement duly attested by Bank Manager & cancelled cheque (if name of the shareholder is not reflected in



**Hilltone Software
& Gases Limited**

the cheque). Members holding shares in demat form are requested to submit the aforementioned documents, as applicable, to their Depository Participants for registration/ updation of PAN & Bank Account details.

By Order of the Board of Directors
For Hilltone Software and Gases Limited

Date : 28th August, 2023
Place : Santej

Niket Shah
Managing Director
DIN: 00278968

Registered Office:
B/4, K B Complex, Dairy Road,
Mehsana Gujarat

ANNEXURE I

Details of Directors seeking appointment/reappointment/continuation of directorship in Annual General Meeting to be held on 29th September, 2023.

Information on directors recommended for appointment/re-appointment as required under Regulation 36 (3) of the SEBI (Listing and Obligation Disclosure Requirements) Regulations 2015 , Companies Act 2013 and Secretarial Standard at ensuing Annual General Meeting are as follows:

Name	Parul N Shah	Niket M Shah	Hital M. Shah	Amitkumar Trivedi	C
Director Identification Number (DIN)/PAN	07126594	00278968	00279026	08204344	
DOB	03/05/1969	03/05/1969	13/12/1973	26/09/1980	
Qualification	B.A	B.A (Economics)	B.com	B.E.D	
Expertise in specific area	Administration	Production,Accounts,administration	Marketing	Administration	
Date of First appointment on the Board of the Company	25/03/2015	08/11/1993	08/11/1993	22/08/2018	
Shareholding in the Company (Only In case the Director to be appointed is a Non- Executive Director)	NIL	N.A	N.A	NIL	
List of Directorship held in other companies	NIL	Kruhad Airogas Private Limited	NIL	NIL	
Names of Listed Entities in which the person holds membership of Committees of the Board	NIL	NIL	NIL	NIL	
Relationship with other Directors/Key Managerial Personnel	Wife of Niket Shah (Whole time Director)	Brother of Mr. Hital M. Shah Husband of Mrs. Parul M. Shah	Brother of Mr. Niket M. Shah	Not related to any Director / Key Managerial Personnel	

HILLTONE SOFTWARE AND GASES LIMITED

CIN: L72200GJ1993PLC020620

Registered Office: B/4, K B Complex, Dairy Road, Mehsana Gujarat- 384002, India

Phone: (02762) 255282 Fax No: (02762) 240055 Email: hilltonegases@yahoo.com

Website www.HilltoneGases.com

THE INSTRUCTIONS FOR E-VOTING:

How do I vote electronically using NSDL e-Voting system?





The way to vote electronically on NSDL e-Voting system consists of “Two Steps” which are mentioned below:

Step 1: Access to NSDL e-Voting system

A) Login method for e-Voting for Individual shareholders holding securities in demat mode

In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Login method for Individual shareholders holding securities in demat mode is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL.	<ol style="list-style-type: none"> Existing IDeAS user can visit the e-Services website of NSDL Viz. https://eservices.nsdl.com either on a Personal Computer or on a mobile. On the e-Services home page click on the “Beneficial Owner” icon under “Login” which is available under ‘IDeAS’ section , this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-Voting services under Value added services. Click on “Access to e-Voting” under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider i.e. NSDL and you will be re-directed to e-Voting website of NSDL for casting your vote during the remote e-Voting period. If you are not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com. Select “Register Online for IDeAS Portal” or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/Member’ section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period. Shareholders/Members can also download NSDL Mobile App “NSDL Speede” facility by scanning the QR code mentioned below for seamless voting experience. <p>NSDL Mobile App is available on</p> <div style="display: flex; justify-content: space-around; align-items: center;"> <div style="text-align: center;">  <p>App Store</p> </div> <div style="text-align: center;">  <p>Google Play</p> </div> </div> <div style="display: flex; justify-content: space-around; margin-top: 10px;">   </div>



<p>Individual Shareholders holding securities in demat mode with CDSL</p>	<ol style="list-style-type: none"> 1. Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The users to login Easi / Easiest are requested to visit CDSL website www.cdslindia.com and click on login icon & New System Myeasi Tab and then user your existing my easi username & password. 2. After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by company. On clicking the evoting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period. Additionally, there is also links provided to access the system of all e-Voting Service Providers, so that the user can visit the e-Voting service providers' website directly. 3. If the user is not registered for Easi/Easiest, option to register is available at CDSL website www.cdslindia.com and click on login & New System Myeasi Tab and then click on registration option. 4. Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on www.cdslindia.com home page. The system will authenticate the user by sending 5. OTP on registered Mobile & Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers.
<p>Individual Shareholders (holding securities in demat mode) login through their depository participants</p>	<p>You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. upon logging in, you will be able to see e-Voting option. Click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period.</p>

Important note: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. NSDL and CDSL.

Login type	Helpdesk details
<p>Individual Shareholders holding securities in demat mode with NSDL</p>	<p>Members facing any technical issue in login can contact NSDL helpdesk by sending a request at atevoting@nsdl.co.in or call at toll free no.: 1800 1020 990and1800 22 44 30</p>
<p>Individual Shareholders holding securities in demat mode with CDSL</p>	<p>Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at toll free no. 1800 22 55 33</p>

B) Login Method for shareholders other than Individual shareholders holding securities in demat mode and shareholders holding securities in physical mode.

How to Log-in to NSDL e-Voting website?

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.
2. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/Member’ section.
3. A new screen will open. You will have to enter your User ID, your Password/OTP and a Verification Code as shown on the screen.
Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.
4. Your User ID details are given below :

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****.
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example if your Beneficiary ID is 12***** then your user ID is 12*****.
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the company For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***

5. Password details for shareholders other than Individual shareholders are given below:
 - a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
 - b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the ‘initial password’ which was communicated to you. Once you retrieve your ‘initial password’, you need to enter the ‘initial password’ and the system will force you to change your password.
 - c) How to retrieve your ‘initial password’
 - (i) If your email ID is registered in your demat account or with the company, your ‘initial password’ is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your ‘User ID’ and your ‘initial password’.
 - (ii) If your email ID is not registered, please follow steps mentioned below in **process for those shareholders whose email ids are not registered**



6. If you are unable to retrieve or have not received the “ Initial password” or have forgotten your password:
 - a) Click on “**Forgot User Details/Password?**”(If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.
 - b) **Physical User Reset Password?** (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.
 - c) If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.co.in mentioning your demat account number/folio number, your PAN, your name and your registered address etc.
 - d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.
7. After entering your password, tick on Agree to “Terms and Conditions” by selecting on the check box.
8. Now, you will have to click on “Login” button.
9. After you click on the “Login” button, Home page of e-Voting will open.

Step 2: Cast your vote electronically on NSDL e-Voting system.

How to cast your vote electronically on NSDL e-Voting system?

1. After successful login at Step 1, you will be able to see all the companies “EVEN” in which you are holding shares and whose voting cycle.
2. Select “EVEN” of company for which you wish to cast your vote during the remote e-Voting period.
3. Now you are ready for e-Voting as the Voting page opens.
4. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on “Submit” and also “Confirm” when prompted.
5. Upon confirmation, the message “Vote cast successfully” will be displayed.
6. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
7. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

General Guidelines for shareholders

1. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to M/s. D.A. Rupawala & Associates, Practicing Chartered Accountants, (Firm Registration No.:108902W ;Membership No.: 37674), rupawala_ca@yahoo.co.in with a copy marked to evoting@nsdl.co.in. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) can also upload their Board Resolution / Power of Attorney / Authority Letter etc. by clicking on “**Upload Board Resolution / Authority Letter**” displayed under “**e-Voting**” tab in their login.
2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the “Forgot User Details/Password?” or “Physical User Reset Password?” option available on www.evoting.nsdl.com to reset the password.

3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call on toll free no.: 1800 1020 990 and 1800 22 44 30 or send a request to (MR. KETAN KUMAR PATEL) at evoting@nsdl.co.in

Process for those shareholders whose email ids are not registered with the depositories for procuring user id and password and registration of e mail ids for e-voting for the resolutions set out in this notice:

1. In case shares are held in physical mode please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to (tfri4444@gmail.com).
2. In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) to (tfri4444@gmail.com). If you are an Individual shareholders holding securities in demat mode, you are requested to refer to the login method explained at **step 1 (A) i.e. Login method for e-Voting for Individual shareholders holding securities in demat mode.**
3. Alternatively shareholder/members may send a request to evoting@nsdl.co.in for procuring user id and password for e-voting by providing above mentioned documents.
4. In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are required to update their mobile number and email ID correctly in their demat account in order to access e-Voting facility.

SECTION B - COMMENCEMENT OF E-VOTING PERIOD AND OTHER E-VOTING INSTRUCTIONS:

- i. The E-Voting period commences on **9:00 a.m. on Monday, September 25, 2023 until 5:00 p.m. on Thursday, September 28, 2023.** During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on **cut-off date i.e. Friday, September 22, 2023** may cast their vote electronically. The e-Voting module shall be disabled for voting thereafter. Once the vote on a resolution is cast by the shareholder, the shareholder shall not be allowed to change it subsequently.
- ii. The voting rights of shareholders shall be in proportion to their shares of the Paid Up Equity Share Capital of the Company.
- iii. M/s. D.A. Rupawala & Associates, Practicing Chartered Accountants (Firm Registration No.:108902W; Membership No.: 37674) (**Address: 705, Mahakant, Opp. V.S Hospital, Ellisbridge, Ahmedabad – 380 006, Gujarat, India**) has been appointed as the Scrutinizer to scrutinize the e-Voting process.
- iv. The Scrutinizer shall on conclusion of the e-voting period, unblock the votes in the presence of at least two (2) witnesses not in the employment of the Company and make a Scrutinizer's Report of the votes cast in favor or against, if any and submit forth with to the Chairman of the Company.
- v. The Results shall be declared along with the Scrutinizer's Report shall be placed on the Company's website and on the website of National Securities Depository Limited (NSDL) <https://www.evoting.nsdl.com/> immediately after declaration of results by the Chairman or a person authorized by him in writing and communicated to the Calcutta Stock Exchange Limited, where the shares of the Company are listed.
- vii. For Members holding shares in physical form, the password and default number can be used only for e-Voting on the resolutions given in the notice.
- viii. 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, link their account which they wish to vote on

and then cast their vote. They should submit a scanned copy of the Registration Form bearing the stamp and sign of the entity to evoting@nsdl.co.in. They should also upload a scanned copy of the Board Resolution / Power of Attorney (POA) which they have issued in favor of the Custodian, if any, in PDF format in the system for the scrutinizer to verify the vote.

- ix.** You can also update your mobile number and E-mail ID in the user profile details of the folio which may be used for sending communication(s) regarding NSDL e-Voting system in future. The same may be used in case the Member forgets the password and the same needs to be reset.
- x.** The Members are requested to pay attention to the matter that once he / she has exercised his / her right then he / she shall not be allowed to change his / her vote subsequently in any case.
- xi.** In case you have any queries or issues regarding e-Voting, you may refer the Frequently Asked Questions (“FAQs”) and e-Voting manual available at www.evotingindia.com under help section or write an email to evoting@nsdl.co.in.

EXPLANATORY STATEMENT [Pursuant to Sections 102 and 110 of the Companies Act, 2013]

ITEM No. 3

This Explanatory Statement is in terms of Regulation 36(5) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI Listing Regulations'), though statutorily not required in terms of Section 102 of the Act. The Members at the 25th Annual General Meeting ('AGM') of the Company held on September 29, 2018, had approved appointment of K. C. Parikh & Associates, Chartered Accountant, Ahmedabad (FRN No. 107550W) as the Statutory Auditors of the Company to hold office from the conclusion of the 25th AGM till the conclusion of the 30th AGM of the Company to be held in the year 2023 at the remuneration as approved by the board of Directors.

After evaluating and considering various factors such as industry experience, competency of the audit team, efficiency in conduct of audit, independence, etc., the Board of Directors of the Company ('Board') has, based on the recommendation of the Audit Committee, proposed the reappointment of K. C. Parikh & Associates, as the Statutory Auditors of the Company, for the second consecutive term of five years from the conclusion of 30th AGM till the conclusion of 35th AGM of the Company to be held in the year 2028, at a remuneration as may be mutually agreed between the Board and the Statutory Auditors. K. C. Parikh & Associates have consented to their appointment as the Statutory Auditors and have confirmed that the appointment, if made, would be within the limits specified under Section 141(3)(g) of the Act and that they are not disqualified to be appointed as the Statutory Auditors in terms of the provisions of Section 139 and 141 of the Act and the Rules framed there under.

None of the Directors, Key Managerial Personnel or their respective relatives are, in any way, concerned or interested, financially or otherwise, in the Resolution at Item No. 4 of the accompanying Notice. Based on the recommendation of the Audit Committee, the Board recommends the Ordinary Resolution set forth at Item No.4 of the Notice for approval by the Members.

ITEM No. 4

The Company had appointed Niket M. Shah (DIN: 00278968) as Managing Director of the Company for a period of five years from April 1, 2018. The Members had subsequently approved the said appointment and terms of his remuneration.

In terms of the provisions of the Act and the Articles of Association of the Company, Board of Directors on recommendation of the Nomination and Remuneration Committee at their meetings held on 25th April, 2023 re-appointed him as Managing Director of the Company for a further period of 5 (Five) years with effect from 1st April, 2023 and also revision of remuneration, the main terms and conditions for the re-appointment and revision in remuneration are as under :

Details of remuneration:

Salary:

Upto Rs. 2,00,000/- (Rupees Two Lakh Only) per month.

Total Salary includes:

- Basic Salary
- Car, Telephone, Cell Phone, PC shall be provided and their maintenance and running expenses shall be met by the Company.
- Other perquisites and benefits as per the rules of Company.

The confirmation of terms and conditions and appointment of Mr. Niket Shah will be in accordance with Section 196, 197 and other applicable provisions if any, read with provision of schedule V of the Companies Act, 2013 without requiring approval of Central Government.

The Board commends the Ordinary Resolution set out at Item No. 3 of the Notice for approval by the members.

ITEM No. 5

The Company had appointed Mr. Hital M. Shah, DIN: 00279026 as Whole time Director of the Company for a period of five years from April 1,2018. The Members had subsequently approved the said appointment and terms of his remuneration.

In terms of the provisions of the Act and the Articles of Association of the Company, Board of Directors on recommendation of the Nomination and Remuneration Committee at their meetings held on 25th April, 2023 re-appointed him as Whole time Director of the Company for a further period of 5 (Five) years with effect from 1st April, 2023 and also revision of remuneration ,the main terms and conditions for the re-appointment and revision in remuneration are as under :

Details of remuneration:

Salary:

Upto Rs. 2,00,000/- (Rupees Two Lakh Only) per month.

Total Salary includes:

- Basic Salary
- Car, Telephone, Cell Phone, PC shall be provided and their maintenance and running expenses shall be met by the Company.
- Other perquisites and benefits as per the rules of Company.

The confirmation of terms and conditions and appointment of Mr. Hital M. Shah, DIN: 00279026 as Whole time Director of the Company will be in accordance with Section 196, 197 and other applicable provisions if any, read with provision of schedule V of the Companies Act, 2013 without requiring approval of Central Government.

The Board commends the Ordinary Resolution set out at Item No. 3 of the Notice for approval by the members.

ITEM No.6

Based on recommendation of the Nomination and remuneration Committee, the Board re-appointed Mr. Amitkumar Chandrakantbhai Trivedi (DIN: 08204344) as an Independent Director, not liable to retire by rotation, for the second consecutive term of five years, i.e., August 21, 2023 upto August 21, 2028 (both days inclusive), subject to approval of the Members. Mr. Amitkumar Chandrakantbhai Trivedi has given her declaration to the Board, inter alia, that (i) he meets the criteria of independence as provided under Section 149(6) of the Act and Regulation 16(1)(b) of the SEBI Listing Regulations, (ii) is not restrained from acting as a Director by virtue of any Order passed by SEBI or any such authority and (iii) is eligible to be appointed as a Director in terms of Section 164 of the Act. She has also given her consent to act as a Director.

In the opinion of the Board, Mr. Amitkumar Chandrakantbhai Trivedi is a person of integrity, possesses relevant expertise / experience and fulfills the conditions specified in the Act and the SEBI Listing Regulations for re-appointment as an Independent Director and he is independent of the management. The profile and specific areas of expertise of Mr. Amitkumar Chandrakantbhai Trivedi is provided as Annexure to this Notice. Given his experience, the Board considers it desirable and in the interest of the Company to have Mr. Amitkumar Chandrakantbhai Trivedi on the Board of the Company and accordingly the Board recommends the appointment of Mr. Amitkumar Chandrakantbhai Trivedi as an Independent Director as proposed in the Resolution set out at Item No. 6 for approval by the Members. Electronic copy of the terms and conditions of appointment of the Independent Directors is available for inspection.

Except for Mr. Amitkumar Chandrakantbhai Trivedi and/or her relatives, no other Director, Key Managerial Personnel or their respective relatives are, in any way, concerned or interested, financially or otherwise, in the said Resolution.

HILLTONE SOFTWARE AND GASES LIMITED

Registered Office: B/4, K B Complex, Dairy Road, Mehsana Gujarat -384002, India
 Phone: (02762) 255282 Fax No: (02762) 240055 Email: hilltonegases@yahoo.com Website
www.HilltoneGases.com

BOARD REPORT

To
 The Members of,
HILLTONE SOFTWARE AND GASES LIMITED

Your Directors have pleasure in submitting their 30th Annual Report of the Company together with the Audited Statements of Accounts for the year ended 31st March, 2023.

1. FINANCIAL RESULTS

The financial statements of the Company have been prepared in accordance with the Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014.

The financial performance of the Company, for the financial year ended on 31 March 2023 is summarized below:

(In Rs)

PARTICULARS	<u>2022-23</u>	<u>2021-22</u>
Total Income including other income	568.46	662.71
Profit before Tax	87.19	16.24
Less: Provision of taxation		
Current Tax (Net)	13.60	2.53
Deferred Tax/MAT Entitlement	0.39	-2.89
Profit for the year	73.20	16.60
Other Comprehensive Income	-	-
Total comprehensive income for the year	73.20	16.60

2. SHARE CAPITAL

The paid up Equity Share capital of the Company is Rs.40003000/-. During the year under review, the company has neither issued any shares with differential voting rights nor granted any stock Option nor any sweat Equity Shares.

3. DIVIDEND

In view of the future expansion plans, the Board of Directors have not recommended any dividend on the Equity Share Capital of the Company for the financial year ended 31st March, 2023.

TRANSFER OF UNCLAIMED DIVIDEND TO INVESTOR EDUCATION AND PROTECTION FUND

Since there was no unpaid/unclaimed Dividend declared and paid last year, the provisions of Section 125 of the Companies Act, 2013 do not apply.

4. TRANSFER TO RESERVES:

During the year under review, the Company has not transferred any amount to General Reserve out of the amount available for appropriation.

5. FINANCIAL LIQUIDITY :

Cash and Cash equivalent as at March 31, 2023 was Rs. 37.28 lacs. The Company's working capital management is robust and involves a well-organised process, which facilitates continuous monitoring and control over receivables, inventories and other parameters

6. DEPOSIT

During the year, the Company has not accepted any deposit within the meaning of Sections 73 and 74 of the Companies Act, 2013 read with the Companies (Acceptance of Deposits) Rules, 2014 (including any statutory modification(s) or reenactment(s) for the time being in force) from the public or the members and as such, no

amount on account of principal or interest on public is outstanding.

7. ADEQUACY OF INTERNAL FINANCIAL CONTROLS

Your Company has established adequate internal financial control systems to ensure reliable financial reporting and compliance with laws and regulations. All resources are put to optimal use and adequately protected against any loss.

Internal control systems commensurate with its size and operations to ensure orderly and efficient conduct of business while safeguarding the assets, quality, and safety, procurements, finance and accounts and reducing and detecting error.

The Company also has appointed an external firm of Chartered Accountants to supplement the efficient Internal Audit.

8. MANAGEMENT DISCUSSION AND ANALYSIS

The Management Discussion and Analysis Report as required under Regulation 34(2)(e) read with Schedule V of SEBI (Listing Obligations & Disclosure Requirements) Regulation 2015 is provided in a separate section and forms an integral part of this Report and is annexed as **Annexure A**.

9. CORPORATE GOVERNANCE

Maintaining of high standards of Corporate Governance has been fundamental to the business of your Company since its inception.

However, the report on Corporate Governance as required under Regulation 34 (3) read with Schedule V of SEBI (Listing Obligation & Disclosure Requirements) Regulation, 2015 is not provided pursuant to Regulation 15 of SEBI (Listing Obligations & Disclosure Requirements) Regulation, 2015. The report on Corporate Governance is not required to be prepared by your Company since the basic test for applicability of such regulation with criteria for paid up equity share capital of Rs. 10.00 Crores and net worth of Rs. 25.00 Crores has not

crossed as on the last date of the previous financial year.

Therefore, taking Auditors Certificate on Corporate Governance as required under Schedule V of SEBI (Listing Obligations & Disclosure Requirements) Regulation, 2015 is not applicable to the Company.

10. ANNUAL SECRETARIAL COMPLIANCE REPORT

The Annual Secretarial Compliance Report under Regulation 24A of SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018 read with SEBI circular no: CIR/ CFD/CMD1/27/2019 dated 8th February, 2019, BSE circular no. LIST/COMP/10/2019-20 dated 9th May, 2019 and BSE circular no LIST/COMP/12/2019-20 dated 14th May, 2019 is not applicable to the Company due to exemption under Regulation 15(2) of SEBI (LODR) Regulations, 2015.

11. RELATED PARTY TRANSACTIONS

All contracts/arrangements/transactions entered by the Company during the previous financial year with the related parties were in the ordinary course of business and on arms' length basis. There were no materially significant related party transactions entered by the Company with its Promoters, Directors, Key Managerial Personnel or other persons which may have potential conflict with the interest of the Company. All Related Party transactions are placed before the Audit Committee for approval, wherever applicable. Prior omnibus approval for normal business transactions is also obtained from the Audit Committee for the related party transactions which are of repetitive nature and accordingly, the required disclosures are made to the Committee on a quarterly basis in terms of the approval of the Committee. The disclosure of Related Party Transactions as required under Section 134(3)(h) of the Act in Form AOC - 2 is

annexed as **Annexure B**. The Related Party Transactions took place during the financial year 2021-22 have been placed in Notes of Financial Statements of the Company.

The policy on Related Party Transactions as approved by the Board may be accessed through the web link:

<https://hilltonegases.com/codes-and-policies.php>

12. REMUNERATION OF DIRECTORS, KEY MANAGERIAL PERSONNEL & PARTICULARS OF EMPLOYEES

The information required under Section 197 of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is attached as **Annexure C** to this report

PARTICULARS OF EMPLOYEES:

The particulars of employees required to be furnished pursuant to section 197(12) of the Companies Act, 2013 read with sub rules 2 and 3 of Rule 5 of the Companies (Appointment and Remuneration of Managerial personnel) Rules, 2014, are not applicable to the Company. However, there was no employee in receipt of remuneration under this section.

13. BOARD OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

Appointment and Resignation of Directors/KMP

During the F.Y 22-23, No Director were Appointed or Resigned.

CEO/CFO Certification

The requisite certification from the Managing Director and Chief Financial Officer required to be given under Regulation 17(8) read with Part B of Schedule II of SEBI (LODR) Regulations, 2015. The aforesaid certificate, duly signed by



the Managing Director and Chief Financial Officer in respect of the financial year ended 31 March 2023, has been placed before the Board.(Annexure D)

Retirement by Rotations

In accordance with the provisions of section 152 (6) of the Act and in terms of the Articles of Association of the Company, Mr. Sapna M. Shah (DIN: 08615859), will retire by rotation at the ensuing Annual General Meeting and being eligible, offers herself for re-appointment. The board recommends her re-appointment.

Profile of Directors Seeking Appointment / Re-appointment

As required under Regulation 36 (3) of the SEBI (LODR) Regulations, 2015, particulars of Directors seeking appointment / re-appointment at the ensuing Annual General Meeting are annexed to Annexure I of the notice convening 29th Annual General Meeting.

Training of Independent Directors

To familiarise the new inductees with the strategy, operations and functions of our Company, the executive directors / senior managerial personnel make presentations to the inductees about the Company's' strategy, operations, product and service offerings, organisation structure, finance, human resources, technology, quality and facilities. Further, the Company has devised a Familiarisation Program for Independent Directors as per Regulation 46 (2) of SEBI (Listing Obligations and Disclosures Requirements)

Regulations, 2015 and the same has been placed on the website of the Company at:

<http://hilltonegases.com/pdf/codesandpolicies/Familiarization%20of%20Independent%20Director.pdf>

Key Managerial Personnel

Pursuant to Section 203 of the Companies Act 2013, the following are the Key Managerial Personnel of the Company as on 31st March, 2023:

Mr. Niket Shah	Managing Director
Mr. Hital M. Shah	Whole time Director
Ms. Abira Mansuri	Company Secretary
Mr. Prafull Makwana	CFO

Evaluation of Performance of the Board, its Committees and Individual Directors

During the year, the evaluation of the annual performance of individual directors including the Chairman of the Company and Independent Directors, Board and Committees of the Board was carried out under the provisions of the Act and relevant Rules and the Corporate Governance requirements as prescribed under Regulation 17 of Listing Regulations, 2015 and the circular with respect to Guidance Note on Board Evaluation. The Nomination and Remuneration Committee had approved the indicative criteria for the evaluation based on the SEBI Guidance Note on Board Evaluation.

The Exercise was carried out through a structured evaluation process covering the various aspects of the Board's functioning such as composition of board & committees, experience & competencies, performance of specific duties & obligations, governance issues etc.

The evaluation of the independent Directors was carried out by Board, except the independent Director being evaluated and the chairperson and the non independent Directors was carried out by the independent Directors.

Board of Director Meetings

Regular meetings of the Board are held at least once in a quarter, inter-alia, to review the quarterly, half yearly and annual financial results of the Company. Additional Board meetings are convened to discuss and decide on various business policies, strategies and other businesses.

The Board business generally includes consideration of important corporate actions and events including:-

- quarterly and annual result announcements;
- oversight of the performance of the business;
- development and approval of overall business strategy;
- Board succession planning;
- review of the functioning of the Committees and
- other strategic, transactional and governance matters as required under the Companies Act, 2013, Listing Regulations and other applicable legislations

The notice of Board meeting is given well in advance to all the Directors. Usually, meetings of the Board are held in Mehsana or at the factory office at Santej. The Agenda of the Board Meetings is set by the Company Secretary in consultation with the Chairman and the Managing Director and Whole time Director of the Company. The Agenda is circulated a week prior to the date of the meeting. The Board Agenda includes an Action Taken Report comprising the actions emanating from the Board Meetings and status update thereof. The Agenda for the Board Meetings covers items set out as per the guidelines in Listing Regulations to the extent it is relevant and applicable. The Agenda for the Board Meetings include detailed notes on the items to be discussed at the meeting to enable the Directors to take an informed decision.

Prior approval from the Board is obtained for circulating the Agenda items with shorter notice

for matters that form part of the Board Agenda and are considered to be in the nature of Unpublished Price Sensitive Information.

The minutes of proceeding of each Board meetings are maintained in terms of statutory provisions.

During the year under review, the Board of Directors of the Company met Five times:

30.05.2022,13.08.2022,14.11.2022,12.01.2023, 03.03.2023

COMMITTEES OF BOARD OF DIRECTORS

The Board of Directors has constituted Board Committees to deal with specific areas and activities which concern the Company and requires a closer review. The Board Committees are formed with approval of the Board and function under their respective Charters. These Committees play an important role in the overall management of day-to-day affairs and governance of the Company. The Board Committees meet at regular intervals and take necessary steps to perform its duties entrusted by the Board. The Minutes of the Committee Meetings are placed before the Board for noting.

The Board of Directors of the Company have constituted the following Committees:

- a. Audit Committee
- b. Nomination and Remuneration Committee
- c. Stakeholders' Grievances and Relationship Committee and Share Transfer Committee

a. AUDIT COMMITTEE

The composition of the Audit Committee is in alignment with the provisions of Section 177 of the companies Act, 2013 read with the Rules

issued there under and Regulation 18 of the SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015.

All the Members of the Audit Committee are well Qualified, experienced and possess sound knowledge of finance, accounting practices and internal controls. The Company Secretary of the Company acts as the Company Secretary of the Audit Committee.

All the recommendations made by the Audit Committee were accepted by the Board of Directors of the Company.

MEETING AND ATTENDANCE

During the Financial Year ended 31st March, 2023, the Audit Committee met Four times in a year as follows and the requisite Quorum was present .

1) 30.05.2022	2) 13.08.2022	3)
14.11.2022	4) 12.01.2023	

b. NOMINATION & REMUNERATION COMMITTEE

The composition of the Nomination & Remuneration Committee is in alignment with the provisions of Section 178 of the companies Act, 2013 read with the Rules issued there under and Regulation 19 of the SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015.

MEETING AND ATTENDANCE

During the Financial Year 2022-23 the Nomination & Remuneration Committee met twice in a year on 30th June 2022 and 30th March, 2023 and the requisite Quorum was present.

c. STAKEHOLDERS RELATIONSHIP COMMITTEE AND SHARE TRANSFER COMMITTEE

The compliance with the provisions of Section 178 of the companies Act, 2013 read with the Rules issued there under and Regulation 20 of the SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015, the Board has constituted Stakeholders Relationship Committee and share transfer committee. The Committee is entrusted with the responsibility of addressing the stakeholders' / investors' complaints with respect to share transfers, non-receipt of annual reports, dividend payments, issue of duplicate shares, etc and other shareholders related queries, complaints, as well as relating to transfer of shares , Review and approval of all requests pertaining to sub-division, consolidation, transfer, transmission of shares and issue of duplicate share certificates; etc.

There were 2 meetings of Stakeholders Relationship Committee & Share transfer Committee meeting held during the year as under:

1) 30.07.2022	2) 12.11.2022
---------------	---------------

15. REMUNERATION AND NOMINATION POLICY

The Board of Directors has framed a policy which lays down a framework in relation to remuneration of directors, Key Managerial Personnel and Senior Management of the Company. This policy also lays down criteria for selection and appointment of the board members.

16. DECLARATION BY INDEPENDENT DIRECTORS

All the independent Directors of your company have given their declarations, that they meet the criteria of independence as laid down under Section 149(6) of the Act and the SEBI (listing Obligations and Disclosure Requirements) Regulations, 2015.

17. AUDITORS

STATUTORY AUDITOR AND THEIR REPORT

The Board has duly reviewed the Statutory Auditors' Report for the year ended on 31 March 2023 and the observations and comments, appearing in the report are self-explanatory and do not call for any further explanation / clarification by the Board of Directors as provided under section 134 of the Companies Act, 2013.

Pursuant to Section 139 of the Companies Act, 2013 and Rules made there under, M/S K.C Parikh & Associates, Chartered Accountants (Firm Registration No. 107550W), were appointed for a period of five years from the conclusion of the 25th Annual General Meeting held on 29th September, 2018 until the conclusion of the 30th Annual General Meeting to be held in the year 2023.

As the term of the auditors will lapse at the end of this 30th agm, the Board on the recommendation of NRC has recommended the re-appointment of M/S K.C Parikh & Associates, Chartered Accountants (Firm Registration No. 107550W), for a period of five years from the conclusion of the 30th AGM till the conclusion of the 35th AGM to be held in the year 2028.

INTERNAL AUDITOR AND THEIR REPORT

Pursuant to the provisions of Section 139 of the Companies Act, 2013 and The Companies

(Accounts) Rules, 2014, during the year under review the Internal Audit of the functions and activities of the Company was undertaken by the Internal Auditors of the Company by BPA & Co., Chartered Accountants, Ahmedabad (Firm Registration No. 109685W), the Internal Auditors of the Company for F.Y 22-23.

There were no adverse remarks or qualification on accounts of the Company from the Internal Auditors.

SECRETARIAL AUDITOR AND THEIR REPORT

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Board of Directors had appointed M/s. ZM & Associates (Proprietor Ms. Zehra Ghadiali) Company secretaries in practice having Membership No. 41416 and COP no. 21325 to undertake the Secretarial Audit of the Company for the FY 2022-23. The Secretarial Audit Report for the FY 2022-23 is annexed to this Directors' Report as **Annexure-E**. The Board of Directors has duly reviewed the Secretarial Auditors' Report and the observations and comments, appearing in the report are self-explanatory and do not call for any further explanation/clarification by the Board of Directors as provided under section 134 of the Act.

COST AUDITORS

The section 148 read with Companies (Audit & Auditors) Rules, 2014 and other applicable provisions, if any, of the Companies Act, 2013 are not applicable to the Company Hence, the Board of Directors of your company had not been appointed Cost Auditor for obtaining Cost Compliance Report of the company for the financial year 2022-23.

18. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS MADE UNDER SECTION 186 OF THE COMPANIES ACT, 2013

The Company has not provided any loan to any person or body corporate or given any guarantee or provided security in connection with such loan or made any investment in the securities of anybody corporate pursuant to section 186 of the Companies Act, 2013 during the year under review and hence the said provision is not applicable.



19. PARTICULARS REGARDING CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO:

The Particulars as prescribed under sub-section (3)(m) of Section 134 of the Companies Act,

2013, read with the Companies (Accounts) Rules, 2014, forms an integral part of this report and is annexed as **Annexure – F**.

20. CORPORATE SOCIAL RESPONSIBILITY

In accordance with the provisions of section 135 of the Companies Act 2013 read with Companies (Corporate Social Responsibility Policy) Rules, 2014 Made there under, the Company has not developed and implemented the following Corporate Social Responsibility initiatives as the said provisions are not applicable.

21. SUBSIDIARIES, JOINT VENTURES AND ASSOCIATE COMPANIES

The Company does not have any Subsidiary, Joint venture or Associate Company.

22. VIGIL MECHANISM/ WHISTLE BLOWER POLICY

The Vigil Mechanism of the Company, which also incorporates a whistle blower policy in compliance with the provisions of Section 177(9) &(10) of the Companies Act, 2013 and Regulation 22 of the SEBI (LODR), 2015, includes an Ethics & Compliance Task Force comprising senior executives of the Company. Protected disclosures can be made by a whistle blower through an e-mail or a letter to the Task Force or to the Chairman of the Audit Committee. The Vigil Mechanism and Whistle Blower Policy may be accessed on the Company's website at <http://hiltonegases.com/pdf/codesandpolicies/Vigil%20Mechanism.pdf>

23. PREVENTION OF INSIDER TRADING:

Your company has adopted the "Code of Conduct on Prohibition of insider trading "and " Code of Conduct for Directors and Senior Management Personnel" for regulating the dissemination of Unpublished Price Sensitive Information and trading in security by insiders.

PREVENTION OF SEXUAL HARASSMENT OF WOMAN AT WORKPLACE:

The company has in place the "Policy on Prevention of Sexual Harassment at the workplace" in line the requirements of the sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act 2013. The Company had constituted Internal Complaints committee (ICC) to redress the complaints received regarding sexual harassment. During the year under review, no complaints were received by the Committee for Redressal.

25. BUSINESS RESPONSIBILITY REPORT:

The Business Responsibility Report as per Regulation 34(2) of the SEBI (LODR) Regulations, 2015 is not applicable to the Company as the Company does not fall under top 500 listed Companies on the basis of market capitalization.

26. HUMAN RESOURCE

The company considers its employees as its most valuable assets. The company focuses on building an organization through induction and development of talent to meet current and future needs.

27. DIRECTORS RESPONSIBILITY STATEMENT

In accordance with the provisions of Section 134(5) of the Companies Act, 2013 the Board hereby submit its responsibility Statement:—

- a. in the preparation of the annual accounts, the applicable accounting



standards had been followed along with proper explanation relating to material departures;

- b. the directors 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 at the end of the financial year and of the profit and loss of the company for that period;
- c. the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- d. the directors had prepared the annual accounts on a going concern basis; and
- e. The directors had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively.
- f. the directors had devised proper systems to ensure compliance with the

provisions of all applicable laws and that such systems were adequate and operating effectively.

28. STOCK EXCHANGES

The Company Status is on Calcutta Stock Exchange and members can trade their shares on the exchange.

As well as the Directors are happy to announce that that the Company is planning to be listed on a recognized Stock Exchange for providing facility to the shareholders for easy trading of shares.

29. RISK MANAGEMENT

Risk management is embedded in your Company's operating framework. Your Company believes that managing risks helps in maximising returns. The Company's approach to addressing business risks is comprehensive and includes periodic review of such risks and a framework for mitigating controls and reporting mechanism of such risks. The risk management framework is reviewed periodically by the Board and the Audit Committee.

30. AFFIRMATION AND DISCLOSURE:

All the Members of the Board and the Senior Management Personnel have affirmed their compliance with the Code of Conduct as on 31st March, 2023 and a declaration to that effect, signed by the Managing Director, forms an integral part of this report and is annexed as **Annexure – G**

31. MATERIAL CHANGES AND COMMITMENT AFFECTING FINANCIAL POSITION OF THE COMPANY

There are no material changes and commitments, affecting the financial position of the Company which has occurred between the end of financial year and the date of Directors' Report.

32. SIGNIFICANT AND MATERIAL ORDERS:

There were no significant and material orders passed by any Regulators or courts or Tribunals during the year ended 31st March, 2023 impacting the going concern status and company's operations in future.



**Hilltone Software
& Gases Limited**

33. ACKNOWLEDGEMENTS

Your Directors wish to thank all stakeholders, employees, Company's' bankers, various government authorities, members and business associates for their continued support and valuable co-operation. Your Directors also wish to place on record their deep sense of appreciation for the committed services by the executives, staff and workers of the Company.

On behalf of the Board of Directors

NIKET M. SHAH
(Managing Director)
DIN: 00278968

HITAL M. SHAH
(Executive Director)
DIN: 00279026

Date: 28th August,2023.

Place: Santej

ANNEXURE A

MANAGEMENT DISCUSSION ANALAYSIS REPORT

(Pursuant to Regulation 34(2)(e) and Schedule V of SEBI (LODR) Regulations 2015)

Your Directors have pleasure in presenting the “Management Discussion and Analysis Report” for the Financial Year ended on 31st March, 2023.

A. OVERALL REVIEW OF THE COMPANY “HILLTONE SOFTWARE AND GASES LIMITED”:

Established in 1993, Hilltone Software and Gases Limited has attained the leadership position in the Manufacturing and Supply of Industrial and Medical Gases due to its excellent credentials, zeal to excel and an unswerving commitment to quality.

We have set our plant at Santej using the latest technology and excellent process to obtain the best quality Medical Oxygen and complete in house analytical set to control our process at all stages. We also providing the entire range of industrial gases and medical gases like Nitrous Oxide - Bulk 'A' Type, Oxygen/ Nitrogen/ Co2/ D.A, Helium etc. We supplying Medical Gases to many reputed Hospitals and medical institutions like S.A.L hospital and medical institute, Krishna Heart Institute and many more (List of major customers enclosed herewith) in Trolleys of 40 cylinders on regular basis.

Hilltone Software and Gases Limited has a strong focus on Research and Development for process improvement, cost reduction and new product development. This is evident in the fact that Hilltone continuously modifies its production

process to enhance flexibility on the use of various types and quality of the raw materials.

Further, the following information on the economy and industry is based on the various reports on industry and websites and the Company is not responsible for any discrepancy/error in the information.

B. OVERVIEW OF THE GLOBAL ECONOMY:

The global economy is going through a slowdown on account of multiple shocks. After recovering from the pandemic-induced downfall, the global economy has lost momentum on account of Russia-Ukraine war and other factors, which is slowing down growth. The conflict has disrupted global supply chains and led to a spike in prices of critical commodities, leading to an uptick in inflationary pressures. Major central banks around the world undertook monetary tightening to restrain the consequent inflation which has resulted in increased borrowing costs. High inflation is also reflected in multiple leading indicators of global economic activity. IMF has projected global growth to decline from 6.0 per cent in 2021 to 3.2 per cent in 2022 and 2.7 per cent in 2023. Rising interest rates and the war in Ukraine continue to weigh on economic activity. With inflation persisting in the advanced economies and the central banks continuing with rate hikes, downside risks to the global economic outlook appear elevated.

C. OVERVIEW OF THE INDIAN ECONOMY:

India’s growth continues to be resilient

despite some signs of moderation in growth. The growth is driven by strong performance in the manufacturing, agriculture and service sectors. The government's focus on infrastructure development, investment in manufacturing and agriculture and steps to improve ease of doing business helped to boost growth. The World Bank has revised GDP forecast to 6.3 percent (from earlier forecast of 6.6 percent) for financial year 2023-24. Going forward, Growth is expected to be constrained by slower consumption growth and challenging external conditions. Rising borrowing costs and slower income growth will also weigh on private consumption growth. Government consumption is projected to grow at a slower pace due to the withdrawal of pandemic-related fiscal support measures. There were some signs of moderation in the second half of the financial year 2022-23. Inflation remained high, averaging around 6.7 percent in the financial year 2022-23 but the current-account deficit narrowed in Q3 on the back of strong growth in service exports and easing global commodity prices. As per the latest IMF World Economic Outlook estimates, the Indian economy continues to be one of the fastest growing major economies.

D. INDUSTRY INSIGHT

Indian Industrial and Medical Gas Industry

According to "India Industrial Gases Market By Product, By Application, By Mode of Distribution, Competition Forecast & Opportunities, 2013-2023", industrial gases market is forecast to grow at a CAGR of over 11% in 2023 on account of growing demand from metal industry,

particularly steel. Moreover, regular capacity expansions by automobile, refinery and chemical companies coupled with increasing number of new applications of industrial gases is further augmenting demand for industrial gases in the country. Additionally, continuing growth in the country's healthcare sector and booming food & beverages sector is anticipated to augur well for the industrial gases market in India

OPPORTUNITY AND THREATS

There are a number of challenges being faced by the industry. Electricity is the main input to gases industry. Yet the quality and cost of power remains a problem. The second issue is the length and breadth of the country . The distribution cost, particularly for cylinder gases is high. It is not cost-effective to serve long distances from a mother location. The third problem is safety. Both high pressure cylinders and liquid tanks have safety issues and need skilled manpower for which there is a scarcity as there no established centres for providing skills. Yet another problem is that it is a consumable product and not a stand-alone finished product. Being a derived demand, its growth and profitability depends on the growth and profitability of user industries.

Hyper competition amongst small manufacturers and over-capacity also remains a problem coupled with the lack of financial resources of smaller players for technology up-gradation.

E. PRODUCT WISE PERFORMANCE

Your company continues to be innovative and pioneering in its Industrial and Medical GaSES

Manufacturing and supply in India by offering best-in-class products to its customers and increasing its geographical reach of services. The Company has increased its total number of customer touch points through the growing network. Currently your company is catering to the need of Domestic Markets only but the Company's products have good demand in the international markets. The product wise performance of the Company is briefly described herein below.

(A) Oxygen: Oxygen is required in steel melting, fabrication, copper smelting, medical applications, etc. The use of oxygen improves the thermal efficiency of fuel. As a result, oxygen is used as a method of better energy production from available fuel. Oxygenation in different furnaces including those for steel, copper, cement production, etc will improve efficiency in energy generation. Similarly, oxygen can be used for hazardous waste clean -up, pollution treatment of water and in coal gasification systems. It can also be used as a replacement of chlorine in paper and pulp industry to reduce pollution. Your Company manufactures Oxygen for both medical and Industrial use. The Production in this year has Increased of Oxygen to cater the high supply in the market.

(B) Nitrogen: Nitrogen is an inert material and is used in heat -treatment to create a neutral atmosphere. It is also used for the removal of air from contaminated mines having methane to avoid occurrence of fire. Huge quantities of nitrogen are used in blast furnaces and other furnace applications to make use of its neutral properties. It is also used as a source of

nitrogenous fertiliser from ammonia which is obtained from the synthesis of nitrogen with hydrogen. Ammonia is also the starting point of chemicals like nitric acid, hydrazine and amines. Liquid nitrogen is used for cryogenic applications to take advantage of its low temperature properties in many applications like solvent extraction, recycling tires, food and pharmaceutical industry, hospitals, artificial insemination, enhanced oil recovery etc. Your Company manufactures Nitrogen for both medical and Industrial use. The Production in this year has Increased of Nitrogen to cater the high supply in the market.

(C) Argon: Your Company is involved in trading Argon Gas. Argon is known as 'Noble gas'. It does not mix with oxygen and is used in stainless and alloy steel production, MIG and TIG method of welding. Argon is also used in light bulbs for creating an inert atmosphere to increase the life of tungsten filaments.

(D) Hydrogen: Your Company is involved in trading Hydrogen .Hydrogen is presently made by the electrolysis of water and its production consumes a lot of energy. In spite of this handicap , it is used for the manufacture of edible oil fats like margarine from vegetable oils. Hydrogen is used to create a reducing atmosphere in heat -treatment furnaces. It is also needed for the manufacture of silicon chips. Liquid hydrogen is used as fuel in space shuttles. With the availability of hydrogen as a by-product from some chemical processes, its use has been growing. Many consider hydrogen as a future source of energy. Hydrogen is also used to remove sulphur from sour crude oil which is gaining ground because of emphasis on environmental protection.

(E) Carbon Dioxide: Gas Carbon Dioxide gas is traded by your Company. CO₂ is mainly used in food industry for carbonating beer, soft drinks, etc. Liquid carbon dioxide is used as a refrigerant in food industry. Carbon dioxide gas is used as a de-oxidant/insecticide for food preservation, foundry applications and fire fighting. Solid and liquid carbon-dioxide is used in many cryogenic applications, as in blood storage.

(F) Helium: This is a very light gas and is nobler than Argon. It is used in deep sea diving, balloons and many other applications including high quality electric

welding and leak detection. Liquid Helium is used in MRIs at hospitals for its superconductive characteristics. Your Company is involved in trading of this gas.

F. RISK AND CONCERN

The company has an effective framework for assessment and mitigation of the risk. The management of the Company identifies, reviews and develops a plan for reducing risks. Current global and domestic headwinds need to be closely monitored for their impact on the business operations. The Company has put in place appropriate measure for its mitigation including business portfolio risk, financial risk and legal risk and internal process risk.

G. FUTURE SCENARIO

We believe that the application of industrial gases will grow in all areas of manufacturing industry. Products like CNG, LNG and LCNG should join the portfolio since the nature of these products are similar. Shale gas is yet another area for growth of the industry. We

think the country has challenges from 3Es, namely Energy, Environment and Eatables. These areas need a helping hand from the industrial gas industry to solve their problems.

With rapid urbanization in the close vicinity of the plant, the Company will be investing more on environmental protection systems, policies and practices, leading to a possible increase in

the cost of production. Your Company aims at enhancing and maximizing shareholders value by achieving appropriate trade-off between risk & returns.

H. HUMAN RESOURCES

Human Resources play a critical role in driving Hilltone's strategies and growth. The Company endeavours to become the best place to work for its employees and to provide them with a nurturing environment that is essential for their growth. Hilltone has implemented comprehensive and well-structured HR policies to ensure employee growth both at personal and professional levels. The Company's talent pool comprises a diverse set of experienced and skilled people who play key roles in enhancing business efficiency, devising strategies, setting up systems and evolving business as per industry requirements. The Company provides a safe, conducive and productive work environment to its people. Hilltone's strong organisational culture also enables it to attract talented resources. The Company conducts regular training programmes for employees to ensure skill upgradation and personnel development. High employee retention levels is a key outcome of these initiatives.



I. INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY

Your Company has an adequate system of internal controls to ensure that all the assets are safeguarded and are productive. Necessary checks and controls are in place to ensure that transactions are properly verified, adequately authorized, correctly recorded and properly reported. The Internal Auditors of the Company conduct Audit of various departments to ensure that internal controls are in place and are submitting quarterly reports to the Audit Committee. The management maintains adequate internal financial control systems encompassing its entire business operations, statutory compliances and Financial Reports.

CONCLUSION

Your Company's primary focus will be to grow volumes across markets. The Company will address each market depending on local conditions and consumer trends. While we recognize that the global environment is extremely challenging, there are new opportunities emerging to meet consumer needs. Your Company will focus on profitable growth through a mix of brand led growth, innovation and cost efficiencies.

On behalf of the Board of Director

NIKET M. SHAH
(Managing Director)
DIN: 00278968

HITAL M. SHAH
(Executive Director)
DIN: 00279026

Date: 28th August, 2023
Place: Santej

ANNEXURE B

A statement in Form AOC-2 is given below:-

1. Details of contracts or arrangements or transactions not at arm's length basis: No such transactions were entered during the financial year 2022-23.

2. Details of material contracts or arrangement or transactions at arm's length basis:

The contracts or arrangement or transactions entered with the related party during the financial year 2022-23 were disclosed in the Note No. 31 of the notes to accounts forming part of the financial statements for the year ended on 31st March, 2023.

On behalf of the Board of Director

NIKET M. SHAH
(Managing Director)
DIN: 00278968

HITAL M. SHAH
(Executive Director)
DIN: 00279026

Date: 28th August, 2023
Place: Santej

ANNEXURE – C

DETAILS OF REMUNERATION OF DIRECTORS, KMPs AND EMPLOYEES

Pursuant to Section 197(12) of the Companies Act, 2013 read with Rule 5 of Companies (Appointment & Remuneration) Rules, 2014

The ratio of remuneration of each Director to the median employees' remuneration for the financial year:

Sr.	Name	Designation	Ratio
1	Niket M. Shah	Managing Director	2.70:1
2	Hital M. Shah	Whole time Director	2.70:1

b) The percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year:

Sr.	Name	Designation	Ratio
1	Niket M. Shah	Managing Director	-
2	Hital M. Shah	Whole time Director	-
3	Abira Mansuri	Company Secretary	-

c) The percentage increase in the median remuneration of employees in the financial year 22-23: NA

d) The number of permanent employees on the rolls of the Company as on 31 March 2023: 12 Employees

e) Average increase in the salaries of the employees and managerial remuneration:

There was no exceptional circumstances for increase in the managerial remuneration.

The Board of Directors of the Company hereby affirmed that remuneration of all the Key Managerial Personnel of the Company are as per the Remuneration Policy of the Company.

On behalf of the Board of Directors

Date: 28th August, 2023
Place: Santej

NIKET M. SHAH
(Managing Director)
DIN: 00278968

HITAL M. SHAH
(Executive Director)
DIN: 00279026



ANNEXURE D
MANAGING DIRECTOR AND CHIEF FINANCIAL OFFICER CERTIFICATION

To,
Board of Directors
Hilltone Software and Gases Limited

As required under the Regulation 17 (8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the Listing Regulations) read with Schedule II part B of the Listing Regulations, we hereby certify that;

1. We have reviewed the Balance Sheet and Profit and Loss account, its schedule and notes to the accounts and cash flow statements for the year ended 31 March 2023 and that to the best of our knowledge and belief:

a) These statements do not contain any materially untrue statement or omit any material fact or contain statements that may be misleading;

b) These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.

2. We also certify that based on our knowledge and information provided to us, there are no transactions entered into by the Company during the year which are fraudulent, illegal or violate the Company's Code of Conduct.

3. We accept the responsibilities for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps taken or propose to take to rectify these deficiencies.

4. We have indicated to the Auditors and the Audit Committee:

a) Significant change in internal control over financial reporting during the year.

b) Significant changes in accounting policies during the year and that the same have been disclosed in notes to the financial statements; and

c) Instances of significant fraud of which we have become aware and involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

Date: 28th August 2023
Place: Santej

Niket M. Shah
Managing Director
(DIN:00278968)

Prafullbhai R Makvana
Chief Financial Officer

ANNEXURE E

Form No. MR-3

[Pursuant to section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies
(Appointment and Remuneration Personnel) Rules, 2014]

SECRETARIAL AUDIT REPORT

For the Financial Year ended on 31st March, 2023

To,
The Members,
HILLTONE SOFTWARE AND GASES LIMITED
B/4, K B COMPLEX,
DAIRY ROAD, MEHSANA384002

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by HILLTONE SOFTWARE AND GASES LIMITED.(hereinafter called the company). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the HILLTONE SOFTWARE AND GASES LIMITED (name of the company's) 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 secretarial audit, I hereby report that in my opinion, the company has, during the audit period covering the financial year ended on 31st March, 2023 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:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by HILLTONE SOFTWARE AND GASES LIMITED ("the Company") for the financial year ended on 31st March, 2023, according to the provisions of:

- i. The Companies Act, 2013 (the Act) and the rules made thereunder;
- ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- iv. 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;
- v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;



- c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
- d. The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
- e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
- f. 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;
- g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
- h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;

However, it has been found that there were no instances requiring compliance with the provisions of the laws indicated at point (d) , (e), (g), (h) of para (v) mentioned hereinabove during the period under review. Further, there were no instances of Foreign Direct Investment or External Commercial Borrowings.

I have also examined compliance with the applicable clauses of the following:

- i. Secretarial Standards issued by The Institute of Company Secretaries of India.
- ii. The Listing Agreements entered into by the Company with the Stock Exchange, i.e. Calcutta Stock Exchange and the SEBI(Listing Obligations & Disclosure Requirements) Regulations, 2015 (as amended);

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

I 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. There were no changes in the composition of the Board of Directors during the period under review.

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 at the Board Meetings as represented by the management were carried out unanimously whereas, as informed, there is a system of capturing the views of dissenting members' and recording the same as part of the minutes, wherever required.



Hilltone Software
& Gases Limited

I further report that based on review of compliance mechanism established by the company we are of opinion 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.

I further report that during the audit period there was no specific event/action having a major bearing on the company's affairs

Place : AHMEDABAD

Date : 28/08/2023

HUSSAIN BOOTWALA & ASSOCIATES

FRN: S2022GJ854400

HUSSAIN BOOTWALA

ACS No: 49591

C.P. No: 23980

PRC: 3936/2023

UDIN: A049591E000848246

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

ANNEXURE-A

To,

The Members

HILLTONE SOFTWARE AND GASES LIMITED

B/4, K B COMPLEX,

DAIRY ROAD, MEHSANA384002

Sir,

Sub: Secretarial Audit Report for the Financial Year ended on 31st March, 2023

Our Report of even date is to be read along with this letter.

1. Maintenance of Secretarial records is the responsibility of the management of the company. Our responsibility is to express an opinion on these records based on our audit.
2. I 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 a 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.
3. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
4. Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. 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 test basis.
6. 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.

Place : AHMEDABAD

Date : 28/08/2023

HUSSAIN BOOTWALA & ASSOCIATES

FRN: S2022GJ854400

HUSSAIN BOOTWALA

ACS No: 49591

C.P. No: 23980

PRC: 3936/2023

UDIN: A049591E000848246

ANNEXURE 'F

PARTICULARS REQUIRED UNDER THE COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF BOARD OF DIRECTORS) RULES, 1988.

A. CONSERVATION OF ENERGY

a. Energy conservation measures:

The Company is making continuous efforts for the conservation of energy through improved operational methods and better plant utilization.

b. Additional investments and proposals, if any, being implemented for reduction of consumption of energy:

We have made investment in energy saving equipments during the year. We are anticipating substantial savings in energy cost in coming years.

c. Impact of measures (a) and (b) above for reduction of energy consumption and consequent impact on the cost of production of goods:

Consumption of energy has been optimised to the extent possible.

d. Total energy consumption per unit of production.

			<u>2022-23</u>	<u>2021-22</u>
1	Electricity Purchased			
	Units	Kwh	60828	60981
	Total amount	Rs.	524484.6	477173
	Rate / Unit	Rs.	8.62	7.94
	Own Generation Through Diesel Generator			
	Units			
	Unit per ltr of Diesel Oil		NIL	NIL
	Cost / Unit		NIL	NIL
	Through Steam Turbine Generator		NIL	NIL
	Units			
	Diesel :			
	Quantity		NIL	NIL
	Total Amount	Ltrs	NIL	NIL
	Average rate	Rs.	NIL	NIL
	Rs.			

B TECHNOLOGY ABSORPTION

1. Research and Development (R & D):

(a) Specific area in which R & D carried out by the Company:

The Company employs indigenous technology and continuous efforts are made for improvement in technical process and energy saving. The Company also is continuously working towards product development and achieving higher turnover in such a way that the bottlenecks in the production process is taken care of.

(b) Benefits derived as a result of the above R & D:

By addition of the new product the company is trying to improve presence in markets. The company will be also in a position to achieve higher production by reducing the impact of production mismatch with new product development.

(c) Future plan of action:

The Company will continue to work towards product development and cost cutting Measures to achieve higher efficiency.

(d) Expenditure on R & D:

There is no specific/separate expenditure incurred for the R & D during the year under review. The efforts for R & D are part of every productive activity of the Company.

2. Technology Absorption, Adaption & Innovation

(a) Efforts made:

The Company has in house technical expertise and no foreign / imported technology is used. It is constant endeavour of the Company to absorb new product / process of manufacturing and continue to innovate new products keeping in mind changing demands of the customers. During the year under review Company focussed on developing a product mix which made best use of the available production capacity and reduced the impact of production bottlenecks.

(b) Benefits derived as a result of above efforts:

The Company is now confident of achieving higher production and would be in a position to achieve higher efficiency improving overall working of the Company.

C. FOREIGN EXCHANGE EARNINGS AND OUTGO

Particulars	2022-23	2021-22
Foreign Exchange Earned	-	-
Foreign Exchange Used	-	-

On behalf of the Board of Directors

Date: 28th August, 2023
Place: Santej

NIKET M. SHAH
(Managing Director)
DIN: 00278968

HITAL M. SHAH
(Executive Director)
DIN: 00279026



Annexure – G

DECLARATION OF COMPLIANCE WITH THE CODE OF CONDUCT Regulation 34(3) read with Schedule V (D) of the SEBI (LODR), 2015

I do hereby declare that pursuant to Schedule V (D) read with Regulation 34(3) of the Listing Regulations, all the Board Members and Senior Management Personnel of the Company have affirmed compliance with the Company's Code of Conduct for the financial year ended March 31, 2023.

On behalf of the Board of Directors

NIKET M. SHAH
(Managing Director)
DIN: 00278968

Date: 28th August, 2023
Place: Santej

INDEPENDENT AUDITOR'S REPORT

To The Members of Hilltone Software and Gases Limited

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying standalone financial statements of Hilltone Software and Gases Limited ("the Company"), which comprise the Balance Sheet as at 31st March 2023, the Statement of Profit and Loss and the Statement of Cash Flows for the year then ended and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

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 Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March 2023, and its profits and cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing specified (SAs) under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibility for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Companies Act, 2013 and the Rules made there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have determined that there are no key audit matters to be communicated in our report.

Information Other than the Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the Directors' Report including Annexures to the Directors' Report but does not include the standalone financial statements and our auditor's report thereon. The other information is expected to be made available to us after the date of this auditor's report.

Our opinion on the standalone financial statements does not cover the other information and we will not express any form of assurance conclusion thereon. In connection with our audit of the standalone financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements, or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

When we read the other Information, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance as required under SA 720 'The Auditor's responsibilities Relating to Other Information'. We have nothing to report in this regard.

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation 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 Indian Accounting Standards (IND AS) specified under section 133 of the Act and other accounting principles generally accepted in India. 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 standalone financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibility for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the standalone financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the standalone financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit, 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 purposes of our audit.
 - b) 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.
 - c) The Balance Sheet, the Statement of Profit and Loss and the Statement of Cash Flows dealt with by this Report are in agreement with the books of account.
 - d) In our opinion, the aforesaid standalone financial statements comply with the Indian

Accounting Standards (IND AS) specified under Section 133 of the Act.

- e) On the basis of the written representations received from the directors as on 31st March, 2023 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2023 from being appointed as a director in terms of Section 164(2) of the Act.
- f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in “Annexure A”. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company’s internal financial controls over financial reporting.

- g) With respect to the other matters to be included in the Auditor’s Report in accordance with the requirements of section 197(16) of the Act, as amended, we report that:

According to the records of the Company examined by us and the information and explanation given to us, the Company has paid/ provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.

- h) 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, as amended in our opinion and to the best of our information and according to the explanations given to us:

- i. The Company does not have any pending litigations which would impact its financial position
- ii. The Company 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 Company.

iv.

- a) The Management has represented that, to the best of its knowledge and belief, the Standalone Financial Statements, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity (“Intermediaries”), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

- b) The Management has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity (“Funding Parties”), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;



**Hilltone Software
& Gases Limited**

- c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.
 - v. The Company has not declared or paid any dividend during the year in contravention of the provision of Section 123 of the Companies Act, 2013.
2. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

For, K C Parikh & Associates
(Chartered Accountants)
(Firm's Reg. No. 107550W)

Date : 30/05/2023
Place : Ahmedabad

CA. Chintan M. Doshi
Partner
M.No. : 118298
UDIN : 23118298BGXOIE6493

Annexure – A to Independent Auditor's Report on Standalone Financial Statements

(Referred to in paragraph 2(f) under 'Report on Other Legal and Regulatory Requirements' section of our report to the members of Hilltone Software & Gases Limited of even date)

Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ('the Act')

We have audited the internal financial controls over financial reporting of Hilltone Software & Gases Limited (**'the Company'**), as of 31st March 2023 in conjunction with our audit of the Standalone Financial Statements of the Company for the period ended and as on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the 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 (the 'Guidance Note'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Standards on Auditing prescribed under Section 143(10) of the Act and the Guidance Note, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with the ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of Internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the Standalone Financial Statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Standalone



Financial Statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) Provide reasonable assurance that transactions are recorded as necessary to permit preparation of Standalone Financial Statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the Standalone Financial Statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial controls over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the Company has, in all material respects, adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at September 30, 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note.

For, K C Parikh & Associates
(Chartered Accountants)
(Firm's Regn. No. 107550W)

Date : 30/05/2023
Place : Ahmedabad

CA. Chintan M. Doshi
Partner
M.No. : 118298
UDIN : 23118298BGXOIE6493

“Annexure B” to the Independent Auditor’s Report of even date on the Standalone Financial Statements of HILLTONE SOFTWARE AND GASES LIMITED

- i) a) The company has maintained proper records showing full particulars including quantitative details and situation of Property, Plant and Equipment.
- b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has a regular programme of physical verification of its Property, Plant and Equipment by which all property, plant and equipment are verified in a phased manner over a period of three years. In accordance with this programme, certain property, plant and equipment were verified during the year. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
- c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not revalued its Property, Plant and Equipment or intangible assets or both during the year.
- d) According to information and explanations given to us and on the basis of our examination of the records of the Company, there are no proceedings initiated or pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.
- ii) a) The inventory, except goods-in-transit and stocks lying with third parties, has been physically verified by the management during the year. For stocks lying with third parties at the year-end, written confirmations have been obtained and for inward goods-in-transit subsequent evidence of receipts has been linked with inventory records. In our opinion, the frequency of such verification is reasonable and procedures and coverage as followed by management were appropriate. No discrepancies were noticed on verification between the physical stocks and the book records that were more than 10% in the aggregate of each class of inventory.
- b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has been sanctioned working capital limits of Rs. Forty Five lakhs (Rs. 45,00,000/-), in aggregate, from Mehsana Urban Co-op. Bank. Ltd. on the basis of security against hypothecation of empty gas cylinder, immovable property, personal guarantee of directors and book debts of the Company. Copies of quarterly returns or statements, furnished to bank have also been made available for our verification. We have verified the same and found in agreement with books of accounts. Discrepancies noticed during such verification, were reasonably explained by the management.

(Amount in Lakhs)

Quarter ended on	As per Stock Statement	As per Tally	Difference



30.06.2022	104.20	123.67	(19.48)
30.09.2022	116.25	123.30	(7.05)
31.12.2022	117.17	129.16	(11.99)
31.03.2023	112.80	161.97	(49.17)

Reason of Difference: Figures submitted in stock statements are lower than actual figures as per books of accounts, so they are not considered as material amount.

- iii)
- a) During the year the company has not made any investments and also not provided any loans or advances in the nature of loans or guarantee to companies, firms, Limited Liability Partnership and other parties..
 - b) According to the information and explanations given to us and based on the audit procedures conducted by us, in our opinion the company has not made any investments and also not provided any loans or advances in the nature of loans.
 - c) According to the information and explanations given to us and based on the audit procedures conducted by us, in our opinion the company has not made any investments and also not provided any loans or advances in the nature of loans.
 - d) According to the information and explanations given to us and based on the audit procedures conducted by us, in our opinion the company has not made any investments and also not provided any loans or advances in the nature of loans.
 - e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there is no loan granted falling due during the year, which has been renewed or extended or fresh loans granted to settle the overdues of existing loans given to same parties.
 - f) According to the information and explanations given to us and based on the audit procedures conducted by us, in our opinion the company has not granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment to Promoters, related parties as defined in clause (76) of section 2 of the Companies Act, 2013.
- iv)
- According to the information and explanations given to us and on the basis of our examination of records of the Company has not made any investments or not granted any loans or guarantees or security under sections 185 and 186 of the Companies Act, 2013.



- v) According to the information and explanations given to us, the Company has not accepted any deposits or amounts which are deemed to be deposits from the public during the year.

- vi) To the best of our knowledge and as explained, the Central Government has not prescribed maintenance of cost records under sub-section (1) of section 148 of the Companies Act, 2013 for the products of the company.

- vii)
 - a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, Cess, Goods and Services Tax, and other material statutory dues, in arrears as at March 31, 2022 for a period of more than six months from the date they became payable.

 - b) According to the information and explanations given to us and according to the records of the Company examined by us, there are no dues of income tax, service tax, sales tax, excise duty, custom duty and Goods and Services Tax which have not been deposited on account of any dispute.

- viii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not surrendered or disclosed any transactions, previously unrecorded as income in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year.

- ix)
 - a) According to the information and explanation and as verified from books of accounts, the company has not defaulted in repayment in loan or interest thereon to any lender.

 - b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been declared a wilful defaulter by any bank or financial institution or government or government authority.

 - c) In our opinion and according to the information and explanations given to us by the management, term loans were applied for the purpose for which the loans were obtained.

 - d) According to the information and explanations given to us and on an overall examination of the financial statement of the Company, as at 31 March 2023, we report that no funds raised on short term basis of have been used for long term purposes



- e) According to the information and explanations given to us and on an overall examination of the standalone financial statements of the Company, we report that the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures as defined under the Act.
- f) According to the information and explanations given to us and procedures performed by us, we report that the Company has not raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies (as defined under the Act).
- x)
 - a) The Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments). Accordingly, clause 3(x)(a) of the Order is not applicable.
 - b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, clause 3(x)(b) of the Order is not applicable.
- xi)
 - a) During the course of our examination of the books and records of the Company and according to the information and explanations given to us, no material fraud by the Company or on the Company has been noticed or reported during the year, nor we have been informed of such case by management.
 - b) According to the information and explanations given to us, there is no instance of fraud reportable under sub-section (12) of Section 143 of the Act has been filed by the auditors in Form ADT-4 as prescribed under Rule 13 of the Companies (Audit and Auditors) Rules, 2014 with the Central Government.
 - c) As per information and explanations given by management and audit committee, there were no whistle blower complaints received by the Company during the year.
- xii) According to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, clause 3(xii) of the Order is not applicable.
- xiii) In our opinion and according to the information and explanations given to us, the transactions with related parties are in compliance with Section 177 and 188 of the Act, where applicable, and the details of the related party transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.
- xiv)
 - a) Based on information and explanations provided to us and our audit procedures, in our opinion, the Company has an internal audit system commensurate with the size and nature of its



business.

- (b) We have considered the internal audit reports of the Company issued till date for the period under audit.
- xv)** In our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with its directors or persons connected to its directors and hence, provisions of Section 192 of the Act are not applicable to the Company.
- xvi)** (a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.
- (b) The Company is not a NBFC, hence reporting under this clause is not required.
- (c) The Company is not a NBFC, hence reporting under this clause is not required.
- (d) The Company is not a CIC, hence reporting under this clause is not required
- xvii)** The Company has not incurred cash losses in the current and in the immediately preceding financial year.
- xviii)** There has been no resignation of the statutory auditors during the year. Accordingly, clause 3(xviii) of the Order is not applicable.
- xix)** According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the standalone financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that the Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- xx)** (a) In our opinion and according to the information and explanations given to us, company is not fulfilling any of the conditions mentioned under section 135(1) of the Act, hence reporting under this clause is not required



**Hilltone Software
& Gases Limited**

(b) In our opinion and according to the information and explanations given to us, company is not fulfilling any of the conditions mentioned under section 135(1) of the Act, hence reporting under this clause is not required.

For, K C Parikh & Associate
Chartered Accountants
(Firm's Reg. No. 107550W)

Date: 30/05/2023
Place : Ahmedabad

CA. Chintan M. Doshi
Partner
M. No. : 118298
UDIN: 23118298BGXOIE6493

HILLTONE SOFTWARE & GASES LIMITED

Balance Sheet as at March 31, 2023

(Amount in Lakhs)

Particulars	Notes	As at March 31, 2023	As at March 31, 2022
I. ASSETS			
Non-current Assets			
(a)Property, plant and equipment	3	283.00	283.19
(b)Intangible assets	4	0.87	0.05
(c)Financial assets		-	-
(i)Investments	5	2.30	2.29
(iii)Other financial assets		-	-
(d)Other non-current assets	6	186.24	173.54
(e)Deferred tax assets (net)	15	2.75	1.99
		475.16	461.07
Current Assets			
(a)Inventories	8	32.83	10.98
(b)Financial assets			
(i)Trade receivables	9	161.97	123.84
(ii)Cash and cash Equivalents	10	37.28	5.05
(c)Current tax assets (net)	7	-	2.70
(d)Other current assets (net)	11	18.42	21.50
		250.51	164.08
TOTAL		725.66	625.15
II. EQUITY AND LIABILITIES			
Equity			
(a)Share capital	12	400.03	400.03
(b)Other equity	13	121.14	47.94
		521.17	447.97
Non-current Liabilities			
(a)Financial liabilities			
(i)Borrowings	14	28.48	43.57
(b)Other non current liabilities	16	31.91	29.19
		60.39	72.76
Current Liabilities			
(a)Financial liabilities			
(i)Borrowings	14	53.66	51.92
(ii)Trade payables	17	72.42	49.45
(b)Provisions	18	7.19	3.05
(c)Current tax liabilities (net)	7	10.83	-
		144.10	104.42
TOTAL		725.66	625.15

Summary of Significant Accounting Policies

1 & 2

Accompanying Notes are integral part of the Financials

As per our report of even date
FOR, K.C Parikh & Associates
Chartered Accountants

Firm Registration No. : 107550W

For and on behalf of the Board of Directors of
HILLTONE SOFTWARE & GASES LIMITED
Chintan Doshi
Partner

Membership No.: 118298

NIKET M. SHAH

Managing Director

DIN:00278968

HITAL M. SHAH

Executive Director

DIN:00279026

ABIRA I.MANSURI

Company Secretary

Mem. No:42410
PRAFULLBHAI MAKVANA

Chief Financial officer

Place: Santej

Date: 30/05/2023

HILLTONE SOFTWARE & GASES LIMITED
Statement of Profit and Loss for the Year ended March 31, 2023
(Amount in Lakhs)

Particulars	Notes	Year Ended March 31, 2023	Year Ended March 31, 2022
Income			
Revenue from operations	19	555.23	649.80
Other income	21	13.23	12.91
Total Income (I)		568.46	662.71
Expenses:			
Purchases of Stock-in-trade	22	382.97	422.24
Changes in Inventories of Stock-in-trade	20	(21.84)	30.01
Employee benefits expenses	23	53.40	73.54
Finance costs	24	11.32	12.32
Other expenses	25	46.40	97.87
Depreciation and amortisation expenses	3/4	9.03	10.51
Total Expenses (II)		481.27	646.47
Profit before Tax (I)-(II)		87.19	16.24
Tax Expenses			
Current tax		13.60	2.53
Deferred tax		(0.76)	(0.46)
MAT credit entitlement		1.15	(2.43)
Profit for the year		73.20	16.60
Other comprehensive income			
Items that will not be reclassified subsequently to profit or loss			
Acturial (loss) / Gain relating to Leave and Gratuity		-	-
Income tax effect		-	-
Net other comprehensive income not to be reclassified subsequently to profit or loss		-	-
Total comprehensive income for the year		73.20	16.60
Earnings per equity share of Face Value Rs 10 each: Basic and Diluted (in INR)	32	1.83	0.41

Summary of Significant Accounting Policies

1 & 2

Accompanying Notes are integral part of the Financials

As per our report of even date
FOR, K.C Parikh & Associates

Chartered Accountants

Firm Registration No. : 107550W

For and on behalf of the Board of Directors of
HILLTONE SOFTWARE & GASES LIMITED
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Company Secretary

Mem. No:42410

PRAFULLBHAI MAKVANA

Chief Financial officer

Place: Santej

Date: 30/05/2023

HILLTONE SOFTWARE & GASES LIMITED
Cash Flow Statement For the year ended March 31, 2023
(Amount in Lakhs)

PARTICULARS	Year Ended March 31, 2023	Year Ended March 31, 2022
<u>CASH FLOW FROM OPERATION ACTIVITIES :</u>		
Profit before tax	87.19	16.24
Non Cash Expenses / Incomes :-	9.04	10.51
Depreciation and amortisation expenses	9.03	10.51
Loss on sale of Fixed Assets	0.01	
Considered Under Different Head :-	0.52	0.52
Interest paid	12.32	12.32
Interest income	(11.79)	(11.79)
Changes in Working Capital	(39.17)	(0.98)
Trade receivables	(38.14)	(3.94)
Inventory	(21.84)	30.01
Other current assets	1.93	3.51
Trade payables	22.97	(20.36)
Short term borrowing	1.75	(1.02)
Other financial liabilities	4.14	(0.63)
Deposit from vendors received	2.73	2.31
Other non-current assets	(12.70)	(10.85)
Direct taxes paid (net)	(0.07)	(5.04)
NET CASH FROM OPERATING ACTIVITIES	57.51	21.25
<u>CASH FLOWS FROM INVESTING ACTIVITIES :</u>		
Interest received	11.79	11.79
Purchase of tangible and intangible assets including CWIP	(13.46)	(23.42)
Proceeds from sale of property, plant and equipment	3.80	-
Investment in shares	(0.01)	-
Change in fixed deposits with accrued interest	-	-
NET CASH GENERATED IN INVESTING ACTIVITIES	2.13	(11.62)
<u>CASH FLOW FROM FINANCING ACTIVITIES :</u>		
Interest paid	(12.32)	(12.32)
Repayment of Loan liability	(15.09)	(1.28)
NET CASH FLOWS USED IN FINANCING ACTIVITIES	(27.41)	(13.60)
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS	32.23	(3.97)
Cash and cash equivalents at the beginning of the period	5.05	9.02
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	37.28	5.05
Components of cash and cash equivalents		
Cash on hand	30.40	2.34
Balance with banks	6.88	1.71
Fixed deposits with bank (maturity within 12 months)	-	1.00
TOTAL	37.28	5.05

Accompanying Notes are integral part of the Financials

As per our report of even date
FOR, K.C Parikh & Associates

Chartered Accountants

Firm Registration No. : 107550W

For and on behalf of the Board of Directors of
HILLTONE SOFTWARE & GASES LIMITED
Chintan Doshi

Partner

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NIKET M. SHAH

Managing Director

DIN:00278968

HITAL M. SHAH

Executive Director

DIN:00279026

Place: Santej

Date: 30/05/2023

ABIRA I.MANSURI

Company Secretary

Mem. No:42410

PRAFULLBHAI MAKVANA

Chief Financial officer

1 Corporate information

Hilltone Software and Gases Limited ("the company") is engaged in the business of trading of Industrial as well as Medical Oxygen gas and other allied gases.

2 Summary of significant accounting policies

a. Basis of Preparation of Financial Statements & Use of Estimates

These financial statements have been prepared in accordance with Ind AS as notified under the Companies (Indian Accounting Standards) Rules, 2015 read with Section 133 of the Companies Act, 2013 (the "Act").

The Financial Statements have been prepared on an accrual basis under the historical cost convention. The accounting policies have been consistently applied by the Company and are consistent with those used in the previous year.

The preparation of the financial statements in conformity with Indian GAAP requires the management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognised in the years in which the results are known / materialize.

b. Current & Non- Current Classification

All the assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle as 12 months and other criteria set out in Revised Schedule III to the Companies Act, 2013. Based on the nature of activities and time between the activities performed and their subsequent realisation in cash or cash equivalents, the company has ascertained its operating cycle as 12 months for the purpose of current / non-current classification of assets and liabilities.

c. Cash and Cash Equivalents

Cash comprises cash on hand and demand deposit with banks. Cash equivalents are short-term balances (with an original Maturity of twelve months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

d. Cash Flow Statement

The Cash Flow Statement has been prepared in accordance with the indirect method prescribed under Accounting Standard - 3 of the Companies (Accounting Standards) Rules, 2006 (as amended). whereby profit / (loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

e. Property, Plant And Equipments including Intangible Assets

Property, Plant And Equipments are stated at cost of acquisition or construction less accumulated depreciation / amortisation and impairment losses, if any. The cost comprises of the purchase price and any attributable cost of bringing the assets to its working condition for its intended use.

f. Inventory :

Inventories including materials and components are valued at the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business less estimated cost of completion and selling expenses.

g. Investment

Investments that are readily realisable and intended to be held for not more than a year are classified as current investments. All other investments are classified as long term investments.

Long-term investments are stated at cost. Provision for diminution in the value of long-term investments is made only if such a decline is other than temporary in the opinion of the management.

Current investments are carried at the lower of cost and fair value, computed category wise.

h. Depreciation and amortization

i) Depreciation on Property, Plant And Equipments is calculated on written down value method (WDV) using the rates arrived at based on the Useful Life as specified in Schedule II of the Companies Act, 2013.

Type of Assets	Useful Life (In Years)
Air conditioner	10
Camera	10
Furniture and Fixtures	10
Computer	3
Computer Software	10
Vehicles	8
Plant and Equipment	25
Factory Building	30
Office Equipment	5

ii) Depreciation on assets acquired / disposed off during the year is provided on pro-rata basis with reference to the date of addition/ disposal.

i. Leases

Assets acquired under lease where the Company has substantially transfer all the risks and rewards incidental to ownership are classified as finance lease. Such assets are capitalised at the inception of the lease at the lower of the fair value or the present value of minimum lease payments and a liability is created for an equivalent amount. Each lease rental paid is allocated between the liability and the interest cost, so as to obtain a constant periodic rate of interest on the outstanding liability for each period.

j. Revenue recognition

i) Revenue (income) is recognized when no significant uncertainty as to the measurability or collectability exists. Revenues from services are recognised immediately when the service is provided. Sale of Goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer.

ii) Interest income is accounted for on an accrual basis.

k. Borrowing costs

Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalised as part of the cost of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for intended use. All other borrowing costs are recognised in the Statement of Profit and Loss in the period they occur.

l. Impairment of assets

An asset is treated as impaired when the carrying cost of assets exceeds its recoverable value. An impairment loss is charged to the Statement of Expenses in the period in which an asset is identified as impaired. The impairment loss, if any, recognized in prior accounting periods is reversed if there has been a change in the estimate of recoverable amount.

m. Foreign exchange transactions

No Foreign Exchange Transactions are made by the company during the year.

n. Employee Benefits

(i) Short Term Employee Benefits

Short term employee benefits are recognised as an expense on accrual basis. Short term Project related employee benefits are recognized as an expenses at the undiscounted amount in the statement of profit and loss of the year in which the related service is rendered.

(ii) Post Employee Benefits

a) Defined Benefit Plan:

Company has not provided for Gratuity.

Company's contribution to Provident Fund, Employees' State Insurance Fund and labour welfare fund which are defined contribution plans determined under the relevant schemes and/or statute are charged to the Statement of Profit and Loss when incurred. There are no other obligations other than the contribution payable to the respective funds.

Termination benefits, if any, are recognized as an expense as and when incurred.

o. Provisions, contingent liabilities and contingent assets

Provisions involving substantial degree of estimation in measurements are recognised when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent Liabilities are disclosed in the notes. Contingent Assets are neither recognised nor disclosed in the financial statements.

p. Segment reporting

In accordance with Accounting Standard 17 "Segment Reporting" as prescribed under Companies (Accounting Standards) Rules, 2006 (as amended), the Company has determined its business segment as selling of Oxygen Gases and allied gases. Since, there are no other business segments in which the Company operates; there are no other primary reportable segments. Therefore the segment revenue, segment results, segment assets, segment liabilities, Total cost incurred to acquire segment assets, depreciation charge are all as is reflected in the financial statement.

q. Related Party transactions

Disclosure of transactions with related parties, as required by Accounting Standard 18 of the Companies (Accounting Standards) Rules, 2006 (as amended). "Related Party Disclosures" has been set out in a separate statement annexed to this note. Related parties as defined under the said Accounting Standard (as amended) have been identified on the basis of representations made by management and information available with the Company.

r. Earning Per Share

The Company reports basic and diluted earnings per share (EPS) in accordance with the Accounting Standard 20 as specified in the Companies (Accounting Standards) Rules, 2006 (as amended). The Basic EPS has been computed by dividing the income available to equity shareholders by the weighted average number of equity shares outstanding during the accounting year. The Diluted EPS has been computed using the weighted average number of equity shares and dilutive potential equity shares outstanding at the end of the year.

s. Taxes on Income

i) Provision for income tax is made on the basis of estimated taxable income for the year at current rates.

Current Tax represents the amount of Income Tax Payable in respect of the taxable income for the reporting period as determined in accordance with the provisions of the Income Tax Act, 1961.

ii) Deferred Tax

Deferred tax charge or credit is recognized using enacted or substantially enacted rates at the Balance Sheet date. Deferred tax assets and liabilities are recognised for the future tax consequences of temporary differences between the carrying values of assets and liabilities and their respective tax bases. In case of unabsorbed depreciation, deferred tax assets are recognized only to the extent there is virtual certainty of realization of such assets. Other deferred tax assets are recognized only to the extent there is reasonable certainty of realization of income in future. Such assets are reviewed as at each balance sheet date to reassess realization.

HILLTONE SOFTWARE & GASES LIMITED

NOTE 3 :- PROPERTY, PLANT AND EQUIPMENT AND CAPITAL WORK-IN-PROCESS

(Amount in Lakhs)

Particulars	Factory Buildings	Plant and Equipment	Computer	Furniture & Fixtures	Office Equipment	Vehicle	Total	Land*
Gross carrying amount								
As at March 31, 2021	61.04	163.34	5.39	10.23	4.28	10.61	254.90	149.18
Additions	-	12.61	0.72	2.05	1.86	6.18	23.42	-
Disposals	-	-	-	-	-	-	-	0.94
As at March 31, 2022	61.04	175.95	6.11	12.28	6.14	16.79	278.31	148.24
Additions	-	2.76	-	1.01	0.14	8.67	12.57	-
Disposals	-	3.48	-	-	-	-	3.48	-
As at March 31, 2023	61.04	175.22	6.11	13.29	6.28	25.46	287.41	148.24
Accumulated depreciation	-	-	-	-	-	-	-	-
As at March 31, 2021	37.58	77.42	5.03	7.13	2.64	4.02	133.82	-
Additions	1.15	5.03	0.29	0.79	0.65	2.58	10.48	-
Disposals	-	-	-	-	-	-	-	-
As at March 31, 2022	38.73	82.45	5.31	7.92	3.28	6.61	144.30	-
Additions	0.81	4.52	0.26	0.62	0.74	2.06	9.01	-
Disposals	-	0.66	-	-	-	-	0.66	-
As at March 31, 2023	39.54	86.30	5.57	8.53	4.03	8.67	152.64	-
Net carrying amount	-	-	-	-	-	-	-	-
As at March 31, 2022	22.31	93.50	0.80	4.37	2.86	10.18	134.01	149.18
As at March 31, 2023	21.50	88.92	0.54	4.76	2.25	16.79	134.76	148.24

* The Company has as at the date of transition elected to measure Land at fair value as deemed cost.

HILLTONE SOFTWARE & GASES LIMITED

NOTE 4 :- INTANGIBLE ASSETS

(Amount in Lakhs)

Particulars	Computer software (for cylinders)	Total
Gross carrying amount		
As at March 31, 2021	0.51	0.51
Additions	-	-
Disposals	-	-
As at March 31, 2022	0.51	0.51
Additions	0.89	0.89
Disposals	-	-
As at March 31, 2023	1.39	1.39
Accumulated depreciation		
As at March 31, 2021	0.42	0.42
Additions	0.03	0.03
Disposals	-	-
As at March 31, 2022	0.45	0.45
Additions	0.07	0.07
Disposals	-	-
As at March 31, 2023	0.52	0.52
Net carrying amount		
As at March 31, 2022	0.05	0.05
As at March 31, 2023	0.87	0.87

HILLTONE SOFTWARE & GASES LIMITED
Notes to the financial statement as at March 31, 2023

NOTE 5 NON CURRENT INVESTMENTS

Particulars	March 31, 2023	March 31, 2022
A. Investment in Others, at cost:-		
1) Investment in Equity Instrument - Unquoted, fully paid up		
The Mehsana Urban Co Op Bank Ltd	2.30	2.29
TOTAL	2.30	2.29
Particulars	March 31, 2023	March 31, 2022
QUOTED	-	-
UNQUOTED	2.30	2.29

NOTE 6 OTHER NON-CURRENT FINANCIAL ASSETS

Particulars	March 31, 2023	March 31, 2022
Security deposits (Deposits with suppliers)	180.54	169.54
Fixed deposits with Banks (maturity more than 12 months)	5.70	4.00
TOTAL	186.24	173.54

NOTE 7 CURRENT TAX ASSETS/ (LIABILITIES)

Particulars	March 31, 2023	March 31, 2022
Advance Income Tax (net of Provisions for taxation)	(10.83)	2.70
TOTAL	(10.83)	2.70

NOTE 8 INVENTORIES

Particulars	March 31, 2023	March 31, 2022
Stock In Hand (Cost or Market Value whichever is lower)	32.83	10.98
TOTAL	32.83	10.98

NOTE 9 TRADE RECEIVABLES

Particulars	March 31, 2023	March 31, 2022
Trade Receivables considered good - Unsecured	161.97	123.84
Trade Receivables considered good - Secured	-	-
Trade Receivables which have significant increase in Credit Risk	-	-
Trade Receivables - credit impaired	-	-
TOTAL	161.97	123.84

Particulars Outstanding for following periods from due date of payment as on 31/03/2023

	Less than 6 months	6 months - 1 year	1-2 years	2-3 Years	More than 3 years	Total
(i) Undisputed Trade receivables – considered good	-	155.00	6.97	-	-	161.97
(ii) Undisputed Trade Receivables – considered doubtful	-	-	-	-	-	-
(iii) Disputed Trade Receivables considered good	-	-	-	-	-	-
(iv) Disputed Trade Receivables considered	-	-	-	-	-	-

HILLTONE SOFTWARE & GASES LIMITED
Notes to the financial statement as at March 31, 2023

Particulars Outstanding for following periods from due date of payment as on 31/03/2022						
	Less than 6 months	6 months - 1 year	1-2 years	2-3 Years	More than 3 years	Total
(i) Undisputed Trade receivables – considered good	52.94	64.22	6.68	-	-	123.84
(ii) Undisputed Trade Receivables – considered doubtful	-	-	-	-	-	-
(iii) Disputed Trade Receivables considered good	-	-	-	-	-	-
(iv) Disputed Trade Receivables considered doubtful	-	-	-	-	-	-

NOTE 10 CASH AND BANK BALANCES

Particulars	March 31, 2023	March 31, 2022
Cash and cash Equivalents		
Cash on Hand	30.40	2.34
Balances with Schedule Banks:		
In Current accounts	6.88	1.71
Fixed deposit maturity within 12 months	-	1.00
TOTAL	37.28	5.05

NOTE 11 OTHER CURRENT ASSETS

Particulars	March 31, 2023	March 31, 2022
Advances to Vendors		
Others	10.30	10.08
Other Loans and Advances		
Advance to Employees	3.03	4.81
MAT credit entitlement	4.70	5.84
Other Receivables	0.40	0.77
TOTAL	18.42	21.50

NOTE 12 SHARE CAPITAL

EQUITY SHARE CAPITAL	March 31, 2023		March 31, 2022	
	No. of Shares	Amount in Lakhs	No. of Shares	Amount in Lajhs
Authorised Shares				
Equity Shares of Rs. 10 each	5,000,000	500.00	5,000,000	500.00
TOTAL	5,000,000	500.00	5,000,000	500.00
Issued, Subscribed and Fully Paid-up Shares				
Equity Shares of Rs. 10 each fully paid- up	4,000,300	400.03	4,000,300	400.03
TOTAL	4,000,300	400.03	4,000,300	400.03

HILLTONE SOFTWARE & GASES LIMITED
Notes to the financial statement as at March 31, 2023

(a) Reconciliation of the shares outstanding at the beginning and at the end of the year

EQUITY SHARE CAPITAL	March 31, 2023		March 31, 2022	
	No. of Shares	Amount in Lakhs	No. of Shares	Amount in Lajhs
Equity Shares				
At the Beginning of the year	4,000,300	400.03	4,000,300	400.03
Add: Issued During the Year	-	-	-	-
Outstanding at the End of the year	4,000,300	400.03	4,000,300	400.03

(b) Details of shareholders holding more than 5% Shares in the Company

Particulars	March 31, 2023		March 31, 2022	
	No. of Equity Sh.	% Holding	No. of Equity Sh.	% Holding
NIKET M. SHAH	615,500	15.39	615,500	15.39
HITAL M. SHAH	670,000	16.75	669,500	16.74

(b) Details of Promoter Holding

Particulars	March 31, 2023			% Change during the year
	No. of Equity Sh.	% Holding		
NIKET M. SHAH	615,500	15.39		-
HITAL M. SHAH	670,000	16.75		0.00

(c) RIGHTS, PREFERENCES AND RESTRICTION ATTACHED TO SHARES:

The Company has only one class of equity shares having a par value of Rs. 10 per share. Each equity shareholder is entitled to one vote per share. The dividend proposed by the Board of Director is subject to the approval of the Shareholders in the ensuing Annual General Meeting except Interim Dividend.

In the event of liquidation of the Company, the equity shareholders will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

(d) Nil number of shares issued for consideration other than cash for the period of 5 years immediately preceding the balance sheet date.

NOTE 13 RESERVES AND SURPLUS

Particulars	March 31, 2023	March 31, 2022
(a) Capital Reserves*		
Balance as per Last Financial Statements	9.66	9.66
Addition	-	-
Closing Balance	9.66	9.66
(b) Other Reserves**		
Balance as per Last Financial Statements	128.55	128.55
Addition (Deduction)	-	-
Closing Balance	128.55	128.55
(c) Surplus		
Balance as per Last Financial Statements	(90.28)	(106.88)
Net Profit for the year	73.20	16.60
Other comprehensive income	-	-
Net Surplus in the Statement of Profit and Loss	(17.07)	(90.28)
GRAND TOTAL	121.14	47.94

*Capital Investment Subsidy from State Government

** not available for distribution as dividend

HILLTONE SOFTWARE & GASES LIMITED
Notes to the financial statement as at March 31, 2023

NOTE 14 BORROWINGS

Particulars	Non Current Portion		Current Portion	
	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
Loans from Others	13.48	18.58	5.09	3.92
Loans from Bank*	14.99	24.99	47.25	47.94
Loans from Related Parties (Refer Note 31)	-	-	1.32	0.06
The above amount includes:-				
<i>Secured Borrowings**</i>	15.67	28.20	49.78	51.86
<i>Unsecured Borrowings</i>	12.81	15.37	3.88	0.06
TOTAL	28.48	43.57	53.66	51.92

Note : Company is not declared wilful defaulter by any bank or financial institutions or other lenders.

SR NO	Particular	March 31, 2023 (including Current Maturity)	March 31, 2022 (including Current Maturity)
I	<u>Loans from NBFCs</u>		
1	Mahindra & Mahindra Financial Services Rupee term loan of Rs.7.11 lakhs carries interest @ 9.80% p.a. The Loan is repayable in 36 equally monthly instalment starting from 10th Jul'21 of Rs.0.23 lakhs each. The above loan is secured against hypothecation of MAHINDRA BOLERO MAXI TRUCK PLUS 1.2T	3.21	5.49
2	Bajaj Finserv Limited Rupee term loan of Rs.17 lakhs carries interest @ 18.25% p.a. The Loan is mortarium period of 24 months from 02/07/2020 and the Loan is repayable in 60 equally monthly instalment starting from 02th Jul'2022 of Rs.0.43 lakhs each. The above loan is Unsecured loan.	15.37	17.01
II	<u>Loans from Banks</u>		
1	The Mehsana Urban Co.Op. Bank Term Loan Rupee term loan of Rs. 45 lakhs carries interest @11.50% p.a. The Loan is repayable in 84 equally monthly instalment starting from February'2020 of Rs.0.79 lakhs each. The above loan is secured against hypothecation of Empty Gas cylinder, Immovable property and personal guarantee of directors.	24.41	30.69
2	AU Small Finance Bank Rupee term loan of Rs. 10.60 lakhs carries interest @ 9.51% p.a. The Loan is repayable in 48 equally monthly instalment starting from 03th Jul'18 of Rs. 0.27 lakhs each. The above loan is Unsecured loan.	-	1.06
3	The Mehsana Urban Co.Op. Bank Overdraft Facility The company has availed working Capital facilities of Rs. 45 Lakhs are secured against Stock and Book debt	37.83	41.18

HILLTONE SOFTWARE & GASES LIMITED
Notes to the financial statement as at March 31, 2023

14.1

Registration of charges or satisfaction with Registrar of Companies :

Sr. No.	Particular	Reason if Charge is registered beyond statutory period	Statutory period of registration	Actual date of registration
I 1	Motor Vehicle (Hypothecation)	Charge is created with RTO and on RC book also	-	-
II 1	Mortgage of Company's immovable property	N.A.	30 days	11.06.2018
II 3	Mortgage of Company's immovable property	N.A.	30 days	11.06.2018

Quarter ended on	As per Stock Statement	As per Tally	Difference
30.06.2022	104.20	123.67	(19.48)
30.09.2022	116.25	123.30	(7.05)
31.12.2022	117.17	129.16	(11.99)
31.03.2023	112.80	161.97	(49.17)

Note: Figures submitted in stock statements are lower than actual figures as per books of accounts, so they are not considered as material amount.

NOTE 15 DEFERRED TAX ASSETS (NET)

Particulars	March 31, 2023	March 31, 2022
Deferred Tax Asset		
Accelerated depreciation for tax purpose	2.75	1.99
Gross Deferred Tax Assets	2.75	1.99
Deferred Tax Liabilities/(Assets) (Net)	(2.75)	(1.99)

NOTE 16 OTHER NON CURRENT LIABILITIES

Particulars	March 31, 2023	March 31, 2022
Security Deposits from Vendor	31.91	29.19
Total	31.91	29.19

NOTE 17 TRADE PAYABLES

Particulars	March 31, 2023	March 31, 2022
MSME	-	-
Others	72.42	49.45
Disputed dues - MSME	-	-
Disputed dues- Other	-	-
TOTAL	72.42	49.45

HILLTONE SOFTWARE & GASES LIMITED
Notes to the financial statement as at March 31, 2023

Particulars Outstanding for following periods from due date of payment as on 31/03/2023						
	Less than 6 months	1 year	1-2 years	2-3 Years	More than 3 years	Total
(i) MSME	-	-	-	-	-	-
(ii) Others	72.42	-	-	-	-	72.42
(iii) Disputed dues – MSME	-	-	-	-	-	-
(iv) Disputed dues - Other	-	-	-	-	-	-

Particulars Outstanding for following periods from due date of payment as on 31/03/2022						
	Less than 6 months	1 year	1-2 years	2-3 Years	More than 3 years	Total
(i) MSME	-	-	-	-	-	-
(ii) Others	49.45	-	-	-	-	49.45
(iii) Disputed dues – MSME	-	-	-	-	-	-
(iv) Disputed dues - Other	-	-	-	-	-	-

NOTE 18 PROVISIONS

Particulars	March 31, 2023	March 31, 2022
Statutory dues including Provident Fund & Tax deducted at Source	7.19	3.05
TOTAL	7.19	3.05

HILLTONE SOFTWARE & GASES LIMITED

Notes to the financial statement as at March 31, 2023

(Amount in Lakhs)

NOTE 19 REVENUE FROM OPERATIONS

Particulars	For the year ended 31 March, 2023	For the year ended 31 March, 2022
SALE OF GOODS		
Sale of products	508.88	643.03
SALE OF SERVICES		
Other operating revenues	6.35	6.77
Software Integration Charges	40.00	-
TOTAL	555.23	649.80
Sale of Products includes:		
1. Sale of Oxygen & Other Gases	508.88	643.03
Other Operating Income includes:		
1. Cylinder Printing Income	0.08	0.05
2. Cylinder Testing and Maintenance Income	1.31	1.01
3. Cylinder Rent Income	0.82	2.05
4. Cylinder Flushing	0.06	0.03
5. Shed Rent	3.71	3.62
6. Cartage Sales	0.37	-
TOTAL	6.35	6.77

NOTE 20 CHANGE IN INVENTORIES OF FINISHED GOODS

Particulars	For the year ended 31 March, 2023	For the year ended 31 March, 2022
Closing Finished Goods- Traded items	32.83	10.98
Opening Finished Goods- Traded items	10.98	40.99
CHANGE IN INVENTORIES OF FINISHED GOODS	(21.84)	30.01

NOTE 21 OTHER INCOME

Particulars	For the year ended 31 March, 2023	For the year ended 31 March, 2022
Interest income:		
Deposits with banks	0.24	0.47
Others	12.65	11.32
Dividend income:		
Shares	0.35	0.35
Others non operating income	-	0.77
TOTAL	13.23	12.91

NOTE 22 PURCHASES OF STOCK-IN-TRADE

Particulars	For the year ended 31 March, 2023	For the year ended 31 March, 2022
Purchases goods of Stock-in-Trade	382.97	422.24
TOTAL	382.97	422.24

NOTE 23 EMPLOYEE BENEFITS

Particulars	For the year ended 31 March, 2023	For the year ended 31 March, 2022
Salaries, wages and bonus	41.40	58.87
Director's Remuneration	12.00	12.00
Staff welfare expenses	-	2.67
TOTAL	53.40	73.54

HILLTONE SOFTWARE & GASES LIMITED

Notes to the financial statement as at March 31, 2023

NOTE 24 FINANCE COST

Particulars	<i>For the year ended 31 March, 2023</i>	<i>For the year ended 31 March, 2022</i>
Interest expense	11.23	12.27
Bank charges	0.08	0.05
TOTAL	11.32	12.32

NOTE 25 OTHER EXPENSES

Particulars	<i>For the year ended 31 March, 2023</i>	<i>For the year ended 31 March, 2022</i>
Advertisement expenses	0.18	0.47
Bad Debts	-	1.89
Cylinder Rent expenses	2.00	4.50
Commission expenses	1.11	0.64
Communication expenses	1.21	1.51
Diesel expenses	15.70	15.82
Electricity expenses	5.25	5.61
Factory Maintenance Expenses	-	13.00
Insurance -Others	0.90	0.92
Inward Cartage Exp	0.08	20.12
Kasar A/c	(0.14)	1.15
Legal and Consultancy Fees	2.75	4.45
Loading and Unloading Exp	-	6.58
Loss on sale of Fixed Assets	0.01	-
Other Expenses	2.42	7.74
Payment to Auditors*	1.15	1.00
Printing & Stationery	0.55	1.05
Repair and Maintenance-Others	2.10	3.80
Rent and Taxes	0.05	0.97
Security Charges	1.93	3.38
Software expenses	6.22	0.27
Transportation Exp.	0.23	0.84
Travelling expenses	0.56	0.28
Vehicle maintenance charges	2.15	1.87
TOTAL	46.40	97.87
<u>*Details of Payment to Auditors</u>	-	-
-Audit Fees	1.00	0.85
-Taxation matters	0.15	0.15
-Other Services	-	-

HILLTONE SOFTWARE & GASES LIMITED
Notes to the financial statement as at March 31, 2023

NOTE 26 CONTINGENT LIABILITIES (to the extent not provided for)

Particulars	March 31, 2023	March 31, 2022
Contingent Liabilities :-		
Guarantees given by banks on behalf of the Company for contractual obligations of the Company	-	-
In respect of Income Tax matters decided against the Company, for which the Company is in the appeal with higher authorities.	-	-
TOTAL	-	-

NOTE 27 COMMITMENTS (to the extent not provided for)

Particulars	March 31, 2023	March 31, 2022
Commitments :-		
Estimated amount of contracts remaining to be executed on capital account and not provided for	-	-
TOTAL	-	-

HILLTONE SOFTWARE & GASES LIMITED
Notes to the financial statement as at March 31, 2023

NOTE 31 RELATED PARTY TRANSACTIONS

(i)List of Related parties and their Relations

Enterprises having Significant Influence (EHSI) :-
Dhanlaxmi Distributors
Shree Vinayak Speciality Gases
United Gases
Key Management Personnel:-
Niket M Shah
Hital M Shah
Parul N Shah

(ii)Related Party Transactions

Particulars	For the year ended 31 March, 2023	For the year ended 31 March, 2022
Key Management Personnel		
<u>A. Loan Repayment</u>	2.56	1.67
Niket M Shah	2.56	1.67
Hital M Shah	-	-
<u>B. Loan Taken</u>	4.07	1.72
Niket M Shah	4.07	1.67
Hital M Shah	-	0.05
<u>C. Director's Remuneration</u>	12.00	12.00
Niket M Shah	6.00	6.00
Hital M Shah	6.00	6.00
Enterprises having Significant Influence (EHSI)		
<u>A. Purchases</u>	2.50	2.69
Dhanlaxmi Distributors	2.50	1.44
Shree Vinayak Speciality Gases	-	1.25
United Gases		
<u>B. Sales</u>	12.17	5.76
Dhanlaxmi Distributors	11.30	2.11
Shree Vinayak Speciality Gases	0.86	3.65
TOTAL	26.73	19.43

(iii)Related Party Balances

Particulars	March 31, 2023	March 31, 2022
Key Management Personnel		
<u>A. Trade Payables</u>		0.99
Dhanlaxmi Distributors	-	-
Shree Vinayak Speciality Gases	-	0.99
United Gases	-	-
<u>B. Trade Receivables</u>	2.05	1.28
Dhanlaxmi Distributors	2.05	1.28
Shree Vinayak Speciality Gases	0.06	-
United Gases	-	-
<u>C. Loan Taken</u>	1.32	0.06
Niket M Shah	1.32	-
Hital M Shah	-	0.06
Parul N Shah	-	-

HILLTONE SOFTWARE & GASES LIMITED
Notes to the financial statement as at March 31, 2023

NOTE 32 EARNINGS PER SHARE

Particulars	March 31, 2023	March 31, 2022
(i) Profit Attributable to Shareholders	73.20	16.60
(ii) Weighted avg no. of Equity shares o/s during the Year	4,000,300	4,000,300
Nominal value of Equity shares (INR)	10.00	10.00
Basic and Diluted Earnings per share (i/ii)	1.83	0.41

NOTE 33 : The Previous Year's figures have been reworked, regrouped, rearranged and reclassified wherever necessary to correspondence with the current year's classification / disclosure.

Accompanying Notes are integral part of the Financials

As per our report of even date
FOR, K.C Parikh & Associates
Chartered Accountants
Firm Registration No. : 107550W

For and on behalf of the Board of Directors of
HILLTONE SOFTWARE & GASES LIMITED

Chintan Doshi
Partner
Membership No.: 118298

NIKET M. SHAH
Managing Director
DIN:00278968

HITAL M. SHAH
Executive Director
DIN:00279026

Place: Santej
Date: 30/05/2023

ABIRA I.MANSURI
Company Secretary
Mem. No:42410

PRAFULLBHAI MAKVANA
Chief Financial officer

HILLTONE SOFTWARE & GASES LIMITED
Notes to the financial statement as at March 31, 2023

Note 28: FINANCIAL INSTRUMENTS

(i) Financial assets and liabilities

	March 31, 2023		March 31, 2022	
	Fair Value	Carryng Value	Fair Value	Carryng Value
Financial Assets				
Amortized Cost:				
Cash and cash equivalents	37.28	37.28	5.05	5.05
Trade Receivable	161.97	161.97	123.84	123.84
Non current financial assets	186.24	186.24	173.54	173.54
Other financial assets	-	-	-	-
TOTAL	385.49	385.49	302.43	302.43
Financial Liabilities				
Amortized Cost:				
Borrowings	82.14	82.14	95.49	95.49
Trade payables	72.42	72.42	49.45	49.45
Other financial liabilities	31.91	31.91	29.19	29.19
TOTAL	186.47	186.47	174.13	174.13

(ii) Financial risk management

The Company's activities are exposed to variety of financial risks. These risks include market risk (including foreign exchange risk), credit risks and liquidity risk. The company's overall risk management program seeks to minimize potential adverse effects on the financial performance of the Company through established policies and processes which are laid down to ascertain the extent of risks, setting appropriate limits, controls, continuous monitoring and its compliance.

(a) Market risk :

Market risk refers to the possibility that changes in the market rates may have impact on the Company's profits or the value of its holding of financial instruments. The Company is exposed to market risks on account of foreign exchange rates and interest rates.

(b) Credit risk :

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company. Credit risk encompasses of both, the direct risk of default and the risk of deterioration of creditworthiness as well as concentration risks. The Company has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral, where appropriate, as a means of mitigating the risk of financial loss from defaults. The Company uses publicly available financial information and its own trading records to rate its major customers.

All trade receivables are reviewed and assessed for default on a quarterly basis. Our historical experience of collecting receivables is that credit risk is low. Hence, trade receivables are considered to be a single class of financial assets.

(c) Liquidity Risk:

Liquidity risk refers to the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for use as per requirements. The Company generates cash flows from operations to meet its financial obligations, maintains adequate liquid assets in the form of cash & cash equivalents and has undrawn short term line of credits from banks to ensure necessary liquidity.

(iii) Capital management

The capital structure of the Company consists of equity, debt, cash and cash equivalents. The company's objective for capital management is to maintain the capital structure which will support the Company's strategy to maximize shareholder's value, safeguarding the business continuity and help in supporting the growth of the Company.

HILLTONE SOFTWARE & GASES LIMITED
Notes to the financial statement as at March 31, 2023

Note 29 TAX EXPENSE

	March 31, 2023	March 31, 2022
Amount recognised in Statement of profit and loss		
Current tax	13.60	0.42
MAT credit entitlement	1.15	-
Deferred tax expense	(0.76)	(0.64)
(Excess)/short income tax	-	-
Tax Components on OCI	-	-
Tax expense for the year	13.99	(0.22)
Reconciliation of effective tax rate	16.04%	0.00%
Profit before tax	87.19	12.23
Enacted Incometax rate applicable to the company	0.00	0.00
Expected income tax expense (I)	22.67	3.18
<u>Adjustment to reconcile expected incometax expense to reported income tax expense:</u>		
Effect of Tax Components on Permanent Disallowance	-	-
Effects of Exempt income from tax	-	-
Effect of (Excess)/short income tax provision reversed	-	-
Effect on tax due to brought forward loss set off	(8.68)	(3.40)
Aggregate tax adjustments (II)	(8.68)	(3.18)
Total tax expense (I)+(II)	13.99	(0.22)
Effective Tax Rate	0.00	(0.00)

NOTE 30 Recognised deferred tax assets and liabilities

The following is the movement of deferred tax assets / liabilities presented in the balance sheet

	Opening balance	Recognised in	Recognised in OCI	Closing balance
For the year ended				
March 31, 2021				
Deferred tax asset				
MAT credit entitlement	5.84	(1.15)	-	4.70
Others	1.99	0.76	-	2.75
				-
Gross deferred tax assets	7.83	(0.38)	-	7.45
Deferred tax liability				
Property, plant and equipment and intangible assets	-	-	-	-
Others	-	-	-	-
Gross deferred tax liability	-	-	-	-
Deferred tax asset / (liabilities), net	7.83	(0.38)	-	7.45

HILLTONE SOFTWARE & GASES LIMITED
Notes to the financial statement as at March 31, 2023

NOTE 34: STATEMENT OF CHANGES IN EQUITY

(Amount in Lakhs)

A	EQUITY SHARE CAPITAL (Refer note 14)	Year Ended March 31, 2023	Year Ended March 31, 2022
	Balance at the beginning of the year	400.03	400.03
	Changes during the year		
	Balance at the end of the year	400.03	400.03

B OTHER EQUITY

Particular	Reserves and Surplus			
	Capital Reserves	Other Reserves	Surplus	Total
Balance as at 1st April, 2021	9.66	128.55	(106.88)	31.34
Profit for the Year	-	-	16.60	16.60
Provided during the year	-	-	-	-
Deduction	-	-	-	-
Transfer to/(from) Surplus	-	-	-	-
Other comprehensive income	-	-	-	-
Balance as at 1st April, 2022	9.66	128.55	(90.28)	47.94
Profit for the Year	-	-	73.20	73.20
Provided during the year	-	-	-	-
Deduction	-	-	-	-
Transfer to/(from) Surplus	-	-	-	-
Other comprehensive income	-	-	-	-
Balance as at 31st March, 2023	9.66	128.55	(17.07)	121.14

Note: Other Reserves is created pursuant to first time adoption of Ind-AS.

Accompanying Notes are integral part of the Financials

As per our report of even date

FOR, K.C Parikh & Associates
Chartered Accountants
Firm Registration No. : 107550W

Chintan Doshi
Partner
Membership No.: 118298

Place: Santej
Date: 30/05/2023

**For and on behalf of the Board of Directors of
HILLTONE SOFTWARE & GASES LIMITED**

NIKET M. SHAH
Managing Director
DIN:00278968

ABIRA I.MANSURI
Company Secretary
Mem. No:42410

HITAL M. SHAH
Executive Director
DIN:00279026

-
Chief Financial officer

1. Corporate Information :

Hilltone Software & Gases Limited is one of the leading manufacturer and trader of Industrial gases

2. Significant Accounting Policies: -**A. Basis of Preparation of financial statements:**

The financial statements have been prepared on the historical cost basis except for following assets and liabilities which have been measured at fair value amount:

- i) Land under property, plant and equipment at fair value as deemed cost.

The financial statements of the Company have been prepared to comply with the Indian Accounting standards ('Ind AS'), including the rules notified under the relevant provisions of the Companies Act, 2013.

Up to the year ended March 31, 2017, the Company has prepared its financial statements in accordance with the requirement of Indian Generally Accepted Accounting Principles (GAAP), which includes Standards notified under the Companies (Accounting Standards) Rules, 2006 and considered as "Previous GAAP"

B. Use of Estimates ,assumptions and judgments :

The preparation of financial statements in conformity with Ind AS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

In particular, information about significant areas of estimation uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements is included in the following notes:

- Useful lives of property, plant and equipment and intangible assets
- Valuation of inventories
- Provisions, contingent liability and contingent assets
- Evaluation of recoverability of deferred tax assets

Measurement of fair values

A number of the Company's accounting policies and disclosures require the measurement of fair values, for both financial and nonfinancial assets and liabilities.

Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows.

— Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.

— Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

— Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

When measuring the fair value of an asset or a liability, the Company uses observable market data as far as possible. If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Company recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

Further information about the assumptions made in measuring fair values is included in the following notes:

- Note 35 – share based payment arrangements; and
- Note 2(a) and 28 – financial instruments.

C. **Current and non-current classification:**

All the assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013.

An asset is treated as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle
 - Held primarily for the purpose of trading
 - Expected to be realised within twelve months after the reporting period, or
 - Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period
- All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The Company classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

D. **Revenue Recognition:**

Company recognizes revenue when there is no significant uncertainty regarding revenue realization.

Interest income is recognized on accrual basis.

Dividend Income is recognized when the right to receive dividend is established.

E. **Property Plan & Equipments:**

Recognition and measurement

Property, Plant and Equipment are stated at cost of acquisition or construction less accumulated depreciation and accumulated impairment losses, if any. The cost of Property, Plant and Equipment comprises of its purchase price, non-refundable taxes & levies, freight and other incidental expenses related to the acquisition and installation of the respective assets.

Subsequent expenditure related to an item of Property, Plant and Equipment is added to its book value only if it increases the future benefits from the existing asset beyond its previously assessed standard of performance. All other expenses on existing assets, including day-to-day repair and maintenance expenditure and cost of replacing parts, are charged to the Statement of Profit and Loss for the period during which such expenses are incurred except for high values which are capitalized.

Gains or losses arising from de-recognition of Property, Plant and Equipment are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the Statement of Profit and Loss when the asset is derecognized.

Capital assets under erection/installation are stated at cost in the Balance Sheet as "Capital Work-in-Progress".

Advances paid towards the acquisition of property, plant and equipment outstanding at each reporting date is disclosed as capital advances under other non current assets. The cost of property, plant and equipment not ready to use before such date are disclosed under capital work-in-progress. Assets not ready for use are not depreciated.

Transition to IND AS

On transition to IND AS, the group has elected to continue with the carrying value of all of its property, plant and equipment recognized as at 1st April, 2016 measured as per the previous GAAP and use that carrying value as the deemed cost of the property, plant and equipment.

F. Intangible Assets:

Intangible assets are recorded at the consideration paid for acquisition of such assets and are carried at cost less accumulated amortization and impairment. They are amortized on a straight line basis over their estimated useful lives.

G. Impairment of Assets:

The company assesses at each Balance Sheet date whether there is any indication that any asset may be impaired. If any such indications exist, the carrying value of such assets is reduced to its estimated recoverable amount and the amount of such impairment loss is charged to Profit and Loss Account. If at the Balance Sheet date there is an indication that previously assessed impairment losses no longer exist, than such loss is reversed and the asset is restated to that effect.

H. Depreciation/ Amortization:

In respect of fixed assets (other than capital work-in-progress) acquired during the year, depreciation /amortization is charged on a straight line basis so as to write off the cost of the assets over the useful lives and for the assets acquired prior to April 1, 2014, the carrying amount as on April 1, 2014 is depreciated over the remaining useful life based on an evaluation. The useful life of the asset is determined as prescribed in Schedule II to the Companies Act, 2013.

I. **Financial instruments:**

Financial Asset

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets

Initial recognition and measurement

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Group commits to purchase or sell the asset.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories: Debt instruments at amortised cost

- Debt/Equity instruments measured at fair value through profit and loss (FVTPL)

A 'debt instrument' is measured at the amortised cost if both the following conditions are met:

- a)The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- b)Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in other income in the statement of profit and loss. The losses arising from impairment are recognised in the statement of profit and loss. This category generally applies to trade and other receivables.

Debt instrument at FVTOCI

A 'debt instrument' is classified as at the FVTOCI if both of the following criteria are met:

a)The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and

b)The asset's contractual cash flows represent SPPI.

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognised in the other comprehensive income (OCI). On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified to the statement of profit and loss. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method.

Debt instrument at FVTPL

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorisation as at amortised cost or as FVTOCI, is classified as at FVTPL.

In addition, the Company may elect to designate a debt instrument, which otherwise meets amortised cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch'). Debt instruments included within the FVTPL category are measured at fair value with all changes recognised in the statement of profit and loss.

Equity investments

All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading and contingent consideration recognised by an acquirer in a business combination to which Ind AS103 applies are classified as at FVTPL. For all other equity instruments, the Company may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value.

The Company makes such election on an instrument by-instrument basis. The classification is made on initial recognition and is irrevocable. If the Company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognised in the OCI. There is no recycling of the amounts from OCI to the statement of profit and loss, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognised in the statement of profit and loss.

Investments in subsidiaries and joint venture

Investments in subsidiaries and joint venture are carried at cost less accumulated impairment losses, if any. Where an indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable amount. On disposal of investments in subsidiaries and joint venture, the difference between net disposal proceeds and the carrying amounts are recognized in the statement of profit and loss.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the Company's balance sheet) when:

The rights to receive cash flows from the asset have expired, or

The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Impairment of financial assets

In accordance with Ind AS 109, the Company applies Expected Credit Loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

- (i) financial assets that are debt instruments, and are measured at amortised cost e.g., loans, debt securities, deposits, and bank balance.
- (ii) trade receivables

The Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivables which do not contain a significant financing component.

The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, financial guarantee contracts and derivative financial instruments.

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:
Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Gains or losses on liabilities held for trading are recognised in the statement of profit and loss. Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risk are recognised in OCI. These gains/ losses are not subsequently transferred to the statement of profit and loss. However, the Company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the statement of profit and loss. The company has not designated any financial liability as fair value through profit and loss.

Loans and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method.

Gains and losses are recognised in the statement of profit and loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit and loss.

J. Inventories:

- a) Inventories of stores and materials are valued at lower of cost or net realizable value. Cost of inventories comprises of all cost of purchases and other cost incurred in bringing them to their respective present location and condition. Cost of inventories of stores and materials are determined on FIFO basis.

K. Borrowing Cost:

Borrowing costs that are attributable to the acquisitions or construction of fixed assets/ qualifying assets for expansion/new project are capitalized to respective fixed assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for its

intended use. Other borrowing costs are charged to revenue in the year in which they are incurred.

L. Segment Reporting:

The Company is engaged in the business of Testing and Contract Research in the fields of Clinical and Pre Clinical Studies, Clinical Reference, Analytical Testing, Advanced Molecular Biology and Environmental studies. Since the inherent nature of all these activities are integrated and govern by the same set of risks and returns and operating in the same economic environment, these are treated as a single Business and Geographical Segment. The said treatment is in accordance with the Accounting Standard - 17, Segment Reporting.

M. Earnings per Share:

Basic earnings per share are calculated by dividing the net profit or loss after tax for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders of the parent company and the weighted average number of shares outstanding during the period is adjusted for the effects of all dilutive potential equity shares, which includes all stock options granted to employees.

N. Taxation :

i. Current Tax :

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

ii. Deferred Tax Provision :

Deferred income tax assets and liabilities are recognised for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements.

Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Deferred income tax assets and liabilities are measured using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date and are expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect of changes in tax rates on deferred income tax assets and liabilities is recognised as income or expense in the period that includes the enactment or substantive enactment date. A deferred income tax asset is recognised to the extent it is probable that future taxable income will be available against which the deductible temporary timing differences and tax losses can be utilised. The Company offsets income-tax

assets and liabilities, where it has a legally enforceable right to set off the recognised amounts and where it intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

iii. Minimum Alternative Tax (MAT) :

Minimum Alternative Tax (MAT) paid in accordance with the tax laws in India which gives rise to future economic benefit in the form of MAT credit entitlement for adjustment of future income tax liability, is considered as an asset only when there is convincing evidence that the company will pay normal income tax within the specified period. Accordingly MAT is recognized as an asset in the balance sheet when the asset can be measured reliably and it is probable that the future economic benefit associated with it will fructify. Such assets are revised at each balance sheet date.

O. Provisions, Contingent Liabilities and Contingent Assets:

A provision is recognized when an enterprise has a present obligation as a result of past event; it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates. A Contingent Liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation.

A Contingent Liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Company does not recognize a contingent liability but discloses its existence in the financial statements.