

21st
Annual Report
2013-2014

HILLTONE SOFTWARE & GASES LTD

CIN – L7200GJ1993PLC020620

HILLTONE SOFTWARE & GASES LIMITED

ANNUAL REPORT 2013-14

BOARD OF DIRECTORS

Niket Shah	Managing Director
Hital Shah	Executive Director
Narendra Shah	Director
Dinesh Shah	Director

AUDITORS

M/s BPA & Company,
Chartered Accountants,
Ahmedabad.

COMPANY SECRETARY (CONSULTING)

D.A. Rupawala

BANKERS

Mehsana Urban Co Op Bank,
Mehsana.

REGISTERED OFFICE

B/4, K.B. Complex,
Dairy Road,
Mehsana,
(Gujarat) – 384 002
INDIA.

WORKS

Santej Vadsar Road,
Santej, Ta: Kalol,
Dist: Gandhinagar
Gujarat

HILLTONE SOFTWARE & GASES LIMITED

NOTICE

NOTICE is hereby given that the twenty-first Annual General Meeting of the Shareholders of the Company will be held on Tuesday 30th September, 2014 at 11.30 a.m. at the Registered Office of the Company situated at B/4, K.B. Complex, Dairy Road, Mehsana – 384 002 to transact the following business :

ORDINARY BUSINESS

1. To receive, consider and adopt Audited Balance Sheet as at 31st March 2014. & Profit and Loss Account for the year ended on 31st March, 2014 and the Reports of the directors, Auditors thereon.
2. To Appoint a Director in place of Mr. Dinesh Shah who retires by rotation and being eligible offer himself for re-appointment.
3. To Appoint Auditors and to fix their remuneration and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolutions as **Ordinary Resolution**:

“**RESOLVED THAT** pursuant to the provisions of section 139 and all other applicable provisions of the Companies Act, 2013, and the Rules made there under (including any statutory modification(s) or re-enactment thereof for the time being in force), the retiring statutory auditors, M/s BPA & Company, Chartered Accountants , be and are hereby appointed as Statutory Auditor of the Company, to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting of the Company on such remuneration as shall be fixed by the Board of Directors”.

SPECIAL BUSINESS

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

“**RESOLVED THAT** the consent of the Company be and is hereby accorded in terms of Section 180(1)(c) and all other applicable provisions, if any, of the Companies Act, 2013, to the Board of Directors of the Company (hereinafter referred to as “the Board” which term shall be deemed to include any Committee thereof) for borrowing, from time to time any sum or sums of monies which together with the monies already borrowed by the Company (apart from temporary loans obtained from the Company’s Bankers in the ordinary course of the business), may exceed the aggregate of the paid up capital of the Company and its free reserves, that is to say, reserves not set apart for any specific purpose, provided that the total amount borrowed by the Board shall not at any time exceed Rs.100 Lacs (Rupees Hundred Lacs only) and the Board of Directors be and is hereby empowered and authorized to decide and fix the terms and conditions of all such monies to be borrowed from time to time as to interest, repayment, security or otherwise it may think fit.”

RESOLVED FURTHER THAT for the purpose of giving effect to this Resolution, the Board be and is hereby authorized to do all such acts, deeds, matters and things as it may in its absolute discretion consider necessary, proper or desirable and to settle any question, difficulty or doubt that may arise in this regards.”

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

“**RESOLVED THAT** the consent of the Company be and is hereby accorded in terms of Section 180(1)(a) and other applicable provisions, if any, of the Companies Act, 2013, to Board of Directors of the Company (hereinafter referred to as “the Board” which term shall be deemed to include any Committee thereof) to create mortgage(s)/charge(s) and/or hypothecation in addition to the mortgage(s) / charge(s) and / or hypothecation created / to be created by the Company, in such form and manner and with such ranking and at such time and

on such terms as the Board may determine, on all or any part of the immovable and / or movable properties and assets of all kinds of the Company, both present and future and / or the whole or any part of the undertaking(s) of the Company in the form of first and / or second and / or pari-passu / subservient mortgage, charge and / or floating charge to secure in favour of Financial Institutions, Banks, Lenders, etc. for securing the borrowings of the Company availed / to be availed by loans sanctioned / to be sanctioned by the Financial Institutions, Banks and any other Lender(s) to the Company for an amount at any time not exceeding in aggregate Rs.100 Lacs (Rupees Hundred Lacs only) together with interest at the respective agreed rates, additional interest, compound interest in case of default, accumulated interest, liquidated damages, commitment charges and other expenses and charges and all other monies payable by the Company to the said Financial Institutions, Banks and Lenders in respect of such loans and borrowings on such specific terms and conditions and covenants and covenants in respects of enforcement of security as may be stipulated in that behalf and agreed to between the Company, Financial Institutions, Banks and its Lenders, etc.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to finalize the documents with the Financial Institutions, Banks and Lenders of the Company for creating aforesaid mortgage/ charge and/ or hypothecation and to do all such acts, deeds, things and matters as may be necessary and expedient for giving effect to the above Resolution.”

6. To consider and if thought fit, to pass with or without modification(s) the following resolution as a **Ordinary Resolution**

RESOLVED THAT in partial modification of Resolution concerning reappointment and remuneration to Mr. Hital Shah, Executive Director (DIN: **00279026**) of the company passed at Annual General Meeting of the company held on 09.08.2012 and pursuant to the provisions of Sections 196,197 and other applicable provisions, if any, of the Companies Act, 2013 read with schedule VI prescribed under Companies Act, 2013 and in pursuance to the provision of Article of the Association of the Company, Mr. Hital Shah be and hereby accorded approval of terms and conditions as set out in explanatory statement annexed to the notice conveying to the annual general meeting, with liberty to the board to alter and vary the terms and conditions of the said appointment in such manner as may be agreed upon between the board of directors and Mr. Hital Shah.

RESOLVED THAT the board of directors be and is hereby authorised to do all such acts, deeds, matters and things as may be necessary, proper and expedient to give effect to this resolution.

7. To consider and if thought fit, to pass with or without modification(s) the following resolution as a **Ordinary Resolution**

RESOLVED THAT in partial modification of Resolution concerning reappointment and remuneration to Mr. Niket Shah, Managing Director (DIN: **00278968**) of the company passed at Annual General Meeting of the company held on 09.08.2012 and pursuant to the provisions of Sections 196,197 and other applicable provisions, if any, of the Companies Act, 2013 read with schedule VI prescribed under Companies Act, 2013 and in pursuance to the provision of Article of the Association of the Company, Mr. Niket Shah be and hereby accorded approval of terms and conditions as set out in explanatory statement annexed to the notice conveying to the annual general meeting, with liberty to the board to alter and vary the terms and conditions of the said appointment in such manner as may be agreed upon between the board of directors and Mr. Niket Shah.

RESOLVED THAT the board of directors be and is hereby authorised to do all such acts, deeds, matters and things as may be necessary, proper and expedient to give effect to this resolution.

NOTES

1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself and such proxy need not be a member of the company. Proxies in other to be effective must be received by the company at its registered office not less than 48 hours before the meeting.

2. Members, proxies should bring the attendance slip, duly filled in, for attending the meeting.
3. Member / Proxies attending the meeting should bring their copy of the Annual Report for reference at the meeting.
4. The Register of Members and the share transfer books of the Company will remain closed from 24th September, 2014 to 30th September, 2014 (both days inclusive).
5. The Shareholders are requested to communicate all their correspondence including share transfers at Registered Office: MCS Ltd., Shatdal Complex, Ashram Road, Ahmedabad.
6. Members are requested to notify immediately any change in their address to the Company quoting their folio number
7. The explanatory statement u/s 102 of the Companies Act, 2013 is enclosed.

For, HILLTONE SOFTWARE & GASES LIMITED

Place: Mehsana
Date: 25/08/2014

Niket M Shah
Chairman & Mg. Director

Registered Office:
B/4, K.B. Complex,
Dairy Road,
Mehsana – 384 002

EXPLANATORY STATEMENT

[Pursuant to Section 102 of the Companies Act, 2013]

Item No: 1 & 2

Keeping in view the Company's intended growth and future fund requirements, vis-à-vis ever-increasing cost of various inputs including labour, materials, finance and administration, etc, it is proposed to authorize the Board of Directors u/s. 180(1)(c) of the Companies Act, 2013 to borrow funds up to an amount not exceeding Rs.100 Lacs (Rupees Hundred Lacs only) which may exceed the paid-up Capital and free reserves of the Company.

For borrowing the funds, the Company shall have to provide security to the lenders. It is, therefore also proposed to authorize Board of Directors u/s. 180(1)(a) of the Companies Act, 2013. To create security by way of mortgage/charge/hypothecation or otherwise on the immovable / movable properties and assets / the whole or substantially the whole of the undertaking(s) or any other assets of the Company, both present and future, in favour of Financial Institution(s), Banks, lenders, etc. to the extent of Rs.100 Lacs (Rupees Hundred Lacs only) since creating the aforesaid security, in certain cases, is regarded "As disposal of " the whole or substantially the whole of undertaking(s) of the Company. Under above circumstances, it is necessary to obtain approval of the Shareholders by passing resolution before borrowing and creating security.

The proposal to authorize the Board of Directors to borrow money and create security would attract provisions of Section 180(1)(c) and 180(1)(a) of the Companies Act, 2013, respectively inter-alia requiring approval of the Shareholders by way of Special Resolution. Therefore, approval of the members of the Company is being sought by way of Special Resolution.

None of the Directors of the Company, other key managerial personnel and relatives of Directors or key managerial personnel are in any way concerned or interested in the said Resolutions.

Item No.3

The meeting of board of directors of the company held on 30.06.2014 on the recommendation of nomination and remuneration committee, subject to the approval of the members, approved terms and conditions of Mr. Hital Shah, Executive Director.

- a. Salary: Rs.50,000/- per month.
- b. Perquisites and Amenities.
 1. Car and Telephone: Provision of car used for companies business and telephone expenses will not be considered as perquisites.
 2. Mobile: cost of mobile instrument and its bill will be paid by the Company.
- c. Other Terms and Conditions:

He shall not be entitled to sitting fees for attending the meeting of Board of Directors or any committees thereof.

The Company will reimburse Mr. Hital Shah expenses incurred by him for entertainment travelling and other expenses in connection with the business of the company.

However personal long distance calls and use of car for the purpose shall be billed by the Company.

During the tenure of his term of office he shall not be liable to retire by rotation.

The confirmation of terms and conditions and appointment of Mr. Hital 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 Directors recommend the Ordinary resolution number 8 for the approval.

Item No. 4

The meeting of board of directors of the company held on 30.06.2014 on the recommendation of nomination and remuneration committee, subject to the approval of the members, approved terms and conditions of Mr. Niket Shah, Managing Director:

- d. Salary: Rs.50,000/- per month.
- e. Perquisites and Amenities.
 - 3. Car and Telephone: Provision of car used for companies business and telephone expenses will not be considered as perquisites.
 - 4. Mobile: cost of mobile instrument and its bill will be paid by the Company.
- f. Other Terms and Conditions:

He shall not be entitled to sitting fees for attending the meeting of Board of Directors or any committees thereof.

The Company will reimburse Mr. Niket Shah expenses incurred by him for entertainment travelling and other expenses in connection with the business of the company.

However personal long distance calls and use of car for the purpose shall be billed by the Company.

During the tenure of his term of office he shall not be liable to retire by rotation.

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 Directors recommend the Ordinary resolution number 8 for the approval.

For, HILLTONE SOFTWARE & GASES LIMITED

Place: Mehsana
Date: 25/08/2014

Niket M Shah
Chairman & Mg. Director

Registered Office:
B/4, K.B. Complex,
Dairy Road,
Mehsana – 384 002

HILLTONE SOFTWARE & GASES LIMITED

DIRECTORS' REPORT

To,
Dear Members,

Your Directors are pleased to submit this twenty-first Annual Report together with the audited accounts of the Company for year ended on 31st March, 2014.

FINANCIAL RESULTS

	----- Amount Rs. 2013-2014 -----	----- Amount Rs. 2012-2013 -----
Sales Job Work	20,277,106	22,216,246
Misc. Income & Commission	1,774,815	1,486,360
Profit/ (Loss) Before Extra Ordinary Items & Depreciation	(2,111,849)	(251,468)
Depreciation	1,152,079	1,434,953
Net Profit/ (Loss) C/F to Balance Sheet	959,770	(1,686,421)

DIVIDEND

In view of carried forward loss the Directors do not recommended any dividend for the year under review

OPERATIONS

The Total income of the company for the year has been Rs 20,277,106 /- as compared to the sales of Rs. 22,216,246/. The profit after Depreciation and taxation stood at Rs.959,770 for the year as compared to loss of Rs. (16,86,421) during the previous year.

The above results cannot be considered quite satisfactory. The company could not do Software business as envisaged last year. The company has received Drug License & it has started producing surgical oxygen which gives better value addition. Your Directors hope better results with expectation of good market apprehensions.

DEPOSIT

During the Year Company has not invited/accepted any deposits with in the meaning of Section 73(2) of the Companies Act, 2013 and the rules made there under.

CORPORATE GOVERNANCE

A Separate Report on Corporate Governance is produced of a part of this Annual Report along with the Auditor's statement on its compliance, or Prescribed under the Ahmedabad listing Agreement of the Stock exchange with which your company is listed.

As a measure of good corporate practice, the board of the director of the Company appointed Mr. Dilip Motwani, Practising company secretary to conduct Secretarial Audit. The Secretarial Audit Report for the financial year end 31.03.2014 is provided in the Annual Report.

The Secretarial Audit Report confirms that the Company has complied with all the applicable provisions of the Companies Act, 2013.

EMPLOYEES

There was no employee drawing remuneration covered under the prescribe Section of the companies Act, 2013 read with the Companies (Particulars of Employees) Rules, 1975.

DIRECTORS

In accordance with the Articles of Association of the Company Mr. Dinesh Shah retire by rotation and being eligible offer himself for re-appointments.

All the directors of the company have confirmed that they are not disqualified from being appointed as directors in terms of section 164(1) of the Companies Act, 2013.

INSURANCE

The Company's properties are adequately insured.

INDUSTRIAL RELATIONS

The Company continues to maintain harmonious and cardinal relationships with its workers in all divisions, which enable it to achieve the industrial peace during the year under the review

LISTINGS

The Company's equity shares have been listed with the Stock Exchanges at Ahmedabad (Regional), Delhi and Calcutta and the Company the Listing fees to the respective Stock Exchange remain unpaid. Trading has been suspended by Stock Exchanges.

DEPOSITORIES

The Company's Shares have been dematerialized and The has also appointed M/s MCS Ltd, as a shares transfer agent for NSDL & CDSL, The Shareholders are requested to take the opportunity.

AUDITORS

The present Auditors M/s BPA & Company, Chartered Accountants, Ahmedabad, will retire at the Conclusion of the forthcoming Annul General Meeting. You are requested to consider their re-appointment.

The observation read with the notes to the accounts are self explanatory.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGES / OUTGO

Information under relavant Section of the Companies Act, 2013 read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988, is as per Annexure-"A" which is annexed herewith.

DIRECTORS RESPONSIBILITY STATEMENT

Your Directors confirm

Those in the preparation of the Annual Accounts the applicable accounting standards have been followed.

That the Directors have selected such accounting policies and applied them consistently subject to (i) 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 ended 31st March'2014 and of the profit of the Company for that Year.

That the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.

That the Directors have prepared the Annual Accounts on a going concern basis.

ACKNOWLEDGEMENT

Your Directors wish to thank the government authorities, bankers other business associates and shareholders for the co-operation and encouragement extended to the Company. The Directors also place on record their deep appreciation for the contribution made by the employees at all levels.

Place: Mehsana
Date: 25/08/2014

Niket M Shah
Chairman & Mg. Director

Registered Office:
B/4, K.B. Complex,
Dairy Road,
Mehsana – 384 002

ANNEXURE

Information pursuant to prescribe Section of the Companies Act, 2013 read with the Companies (Disclosure of particulars in the Report of Board of Director) Rules, 1988:

A. Conservation of Energy :

- | | | |
|---|---|--|
| a. Energy conservation measures taken | : | The Company is keen about the necessary Installation for conservation of Energy. |
| b. Additional Investment & proposals | : | Nil |
| c. Impact of the measures at (a) & (b) above and consequent impact on the cost of production of goods | : | N.A. |
| d. Total energy consumption and energy consumption per unit of production | : | N.A. |

B. Technology absorption:

- | | | |
|---|---|----------------|
| e. Efforts made in technology absorption as per | : | Form B. |
|---|---|----------------|

C. Foreign Exchange Earning & Outgo:

- | | | |
|--|---|-----|
| f. Activities relating to Exports etc. | : | Nil |
| g. 1) Total foreign Exchange used | : | Nil |
| 2) Total foreign Exchange Earned | : | Nil |

FORM B

(Form for disclosure of particulars with respect to absorption)

Research and Development (R & D):

1. Special areas in which R&D carried out by the Company.
2. Benefits derived as a result of the above R &D.
3. Future plan of action.
4. Expenditure on R & D.

The production technology is indigenously developed and the company is carrying out its activities with its trained and experienced staff.

There is no separate R & D

Technology absorption, adaptation and innovation:

1. Efforts, in brief, made towards technology absorption, adaptation and innovation.
2. Benefits derived as a result of the above efforts.
3. In case of imported technology:
 - (a) Technology imported
 - (b) Year of import
 - (c) Has technology been fully absorbed?
 - (d) If not fully absorbed, areas where this has not taken place, reasons thereof and future plans of action.

The technology has been developed has fully absorbed the production indigenously and the Company has technology.

The Company has not sued any imported technology.

For, HILLTONE SOFTWARE & GASES LIMITED

Place : Mehsana
Date: 25/08/2014

Niket M Shah
Chairman & Mg. Director

CORPORATE GOVERNANCE

INTRODUCTION

Company's philosophy on Corporate Governance

Corporate Governance pertains to systems by which Companies are directed and controlled by keeping in mind the long term interest of share holders and also balancing interest of employees, Government and the society at large.

HILLTONE SOFTWARE & GASES LIMITED believes in adopting the best global practices in the areas of corporate governance and follows the principles of fair representation and full disclosure of all its dealing and communications there by protecting rights and interest of all its shareholders.

BOARD OF DIRECTORS

A. The constitution of the Board as on 31.03.2014

Sr. no.	Name of Directors	Category	Category Executive Non-executive
1	Shri Niket M Shah	Chairman & Managing Director	Executive
2	Shri Hital M Shah	Executive Director	Executive
3	Shri Narendra Shah	Director	Independent
4	Shri Dinesh B Shah	Director	Independent

B. Attendance of each director at the Board Meeting and the last Annual General Meeting

Sr no.	Name of Directors	No. of Board Meeting Attend	Last Annual General Meeting
1	Shri Niket M Shah	7	YES
2	Shri Hital M Shah	7	YES
3	Shri Narendra Shah	5	YES
4	Shri Dinesh B Shah	5	YES

C. Number of Board Meeting held and the dates on which such meeting were held.

7 Board Meetings were held during the 12 months accounting year ended 31.03.2014. The dates of such Board Meeting are 30th April, 2013, 30th May, 2013, 14th August, 2013, 30th September, 2013, 15th November, 2013, 26th December, 2013, 15th February, 2014

AUDIT COMMITTEE:

The Board of the company has constituted the audit committee comprising two independent non executive directors.

Sr no.	Name of Directors	Category
1.	Shri Niket M Shah	Chairman & Managing Director
2.	Shri Narendra B Shah	Member
3.	Shri Dinesh B Shah	Member

They have considered the draft account and internal Audit Reports and quarterly results. Audit Committee held five Meeting during the year ended 31.03.14
Attendance during the accounting year ended 31.03.14 is as under:

Sr no.	Member	Category	Meeting Attended
1.	Shri Niket M Shah	Chairman & Mg. Director	YES
2.	Shri Narendra B Shah	Member	YES
3.	Shri Dinesh B Shah	Member	YES

SHAREHOLDERS / INVESTORS GRIEVANCE COMMITTEE

The Committee deals with matters relating to

- 1 Transfer of Shares
- 2 Issue of Duplicate/new sub dividend and consolidated share certificates
- 3 Shareholders/Investors Grievance and its redressal.

During the year Shareholders/Investors Grievance Committee held four Meeting for the year ended 31.03.14
Attendance during the accounting year ended 31.03.14 is as under:

Sr no.	Member	Category	Meeting Attended
1.	Shri Niket M Shah	Chairman & Mg. Director	YES
2.	Shri Narendra B Shah	Member	YES
3.	Shri Dinesh B Shah	Member	YES

Name of the Officer : Mr. Hital M Shah
Designation : Executive Director
Number of Shareholders complaints received during the year: Nil
Number of complaints not resolved to the satisfaction of Shareholders: Nil
Number of pending share transfer: Nil

REMUNERATION COMMITTEE

The Board has set up a Remuneration committee for the Company which decides the Remuneration of all the directors and senior management members of the Company. The Committee comprises of Mr. Niket M. Shah (Managing Director), Mr. Hital M. Shah and Mr. Narendra Shah.

REMUNERATION TO DIRECTORS

Director's remuneration during the accounting year ended 31.03.14

Name of Director	Sitting Fees	Salary & Perks	Total Rs.
Shri Niket M Shah	---	3,84,000	3,84,000
Shri Hital M Shah	---	3,84,000	3,84,000
Shri Narendra Shah	---	--	--
Shri Dinesh B Shah	---	--	--

The company does not pay any remuneration to its non executive directors and also company has revised the remuneration of Mr. Niket Shah and Mr. Hital shah.

GENERAL BODY MEETINGS

(a) Location and time where the last three AGM/EGM were held:

YEARS	AGM/EGM	LOCATION	DATE & TIME
2012-2013	AGM	B/4, K.B. Complex, Dairy Road, Mehsana, (North Gujarat) - 384002	16.09.2013 11:30 A.M.
2011-2012	AGM	B/4, K.B. Complex, Dairy Road, Mehsana, (North Gujarat) - 384002	09.08.2012 11:30 A.M.
2010-2011	AGM	B/4, K.B. Complex, Dairy Road, Mehsana, (North Gujarat) - 384002	30.08.2011 11:30 A.M.

(b) **Whether the special resolutions were put through last year, hence last year, details pf voting pattern.**

No Special Resolution was required to be passed last year hence there was no necessary of postal ballot.

DISCLOSURE

(a) Disclosure on materially significant related party transactions, i.e. transactions of the company of material nature, with its promoters, the directors or the management, their subsidiaries of relative etc. that may have potential conflict with he interests of company at large.

(b) Details on non-compliance by the company, penalties, strictures, imposed, on the company by Stock Exchange or SEBI or any statutory authorities or any matter related to capital markets during the last three years.

MEANS OF COMMUNICATION

During the year, quarterly, half-yearly and annual financial results of the Company were submitted to the stock exchanges immediately after the conclusion of the Board Meetings and were also published within 48 hours in Western Times (Both edition Gujarati & English).

Internal Control System

The company has got adequate Internal Control System and procedure relating to the purchase of various raw-materials, stores and other consumables. The Plants are sending regular and timely reports to the managing director and other management executives at Head Office and corrective actions as and when, required are being taken by the Head Office.

Statutory Compliances

Managing Director of the company is the Compliance Officer, Moreover the company has retained services pf a consulting company secretary for making compliances of all provisions of Companies Act, Securities Contract and Regulation Act, SEBI Act, etc.

Industrial Relations

The company has been maintaining cordial industrial relations and the labors are co-operative. The company signed a long term agreement with the workers about the wage settlement and productivity.

GENERAL SHAREHOLDERS' INFORMATION

(A) Annual General Meeting

Date & Time : 30th September, 2014 11:30 A.M.
Venue : B/4, K.B. Complex, Dairy Road,
Mehsana (North Gujarat) – 384002

(B) Financial calendar

- Financial year for 2013-2014
- Results were announced on
 - Quarter ending June 2013 July 2013
 - Quarter ending September 2013 October 2013
 - Quarter ending December 2013 January 2014
 - Quarter ending March 2014 April 2014
 - Annual General Meeting 2012-13 September 2013

(C) Book Closure Dates: Tuesday, 24th September, 2014 to
Monday, 30th September, 2014 (both days inclusive)

(D) Dividend Payment Date: N.A.

(E) Listing & Stock Code:

- (1) The Stock Exchange – Ahmedabad** **Code No. - 23861**
Kamdhenu Complex,
Opp. Sahjanand College, Panjarapole,
Ahmedabad – 380 015
- (2) The Calcutta Stock Exchange Association Ltd.**
7, Lyons Range,
Calcutta – 700 001
- (3) The Stock Exchange – Delhi**
3&4, 4/B, Asaf Ali Road,
New Delhi – 110 002

Demat:-

ISIN No for Equity Shares: - INE168C01013

The company has not paid annual listing fees for the above Stock Exchange.

STOCK MARKET DATA

The Shares are not traded during the financial year 2012-13. The trading has been suspended.

REGISTRAR & SHARE TRANSFER AGENT

For Physical & Electronic Mode: MCS
Shatdal Complex,
Ashram Road, Ahmedabad – 380 006

SHARE TRANSFER SYSTEM

Shares sent for transferring in physical form are registered by the registrar and share transfer agent and return between 15 to 30 days from the date of receipt, if documents are in order in all respects, shares under objection are returned within two weeks.

Distribution of Shareholding as on 31st March 2014

No. of shares held	No. of members	Percentage	No. of shares held	Percentage
Up to 500	957	65.10	301300	71.52
501 1000	350	24.00	324900	84.99
1001 2000	51	3.94	80500	20.11
2001 3000	24	1.64	64500	16.11
3001 4000	11	0.75	42000	10.49
4001 5000	09	0.62	42900	10.72
5001 10000	17	1.16	107500	26.85
Above 10000	43	2.94	3036400	758.53

Category wise distribution of shareholding as on 31st March, 2014

Description	No. of Shares held	percentage
Promoters	14, 16,900	35.41%
Mutual Funds	--	--
Private Corporate Bodies	--	--
NRI Holdings	--	--
Indian Public	25, 83,400	64.59%
TOTAL	40, 00,300	100.00%

DEMATERIALISATION OF SHARE AND LIQUIDITY

1.89% of equity capital is held in dematerialized form with NSDL & CDSL as on 31.03.14. Trading in equity shares of the company is permitted only in dematerialized form with effect from 1.04.2004 as per notification issued by SEBI.

PLANT LOCATION

Santej-Vadsar Road,
Village Santej
Taluka: Kalol, Dist. Gandhinagar

Address of correspondence

B/4, K.B. Complex, Dairy Road,
Mehsana (North Gujarat) – 384002

- 1 Investor's correspondence for transfer/dematerialization of shares and any other queries relating to the shares of the company.

For Shares held in Physical and the Demat form

MCS Limited

Shatdal Complex, Ashram Road, Ahmedabad – 380 006

- 2 Any query on Annual Report:

B/4, K.B. Complex, Dairy Road,
Mehsana (North Gujarat) – 384002

CEO/CFO CERTIFICATION

Mr. Niket M. Shah, Managing Director has furnished the certificate as per the requirement of clause 49(v) of the Listing Agreement.

COMPLIANCE CERTIFICATE OF THE AUDITORS

The Company has obtained a Certificate from the Statutory Auditors confirming compliance of Conditions of the Code of Corporate Governance as stipulated in Clause 49 and the same is annexed.

DECLARATION-CODE OF CONDUCT

As per Clause 49 of the Listing Agreement with the Stock Exchanges, all Board Members and Senior Management personnel have affirmed compliance with the applicable Code of Conduct.

For, HILLTONE SOFTWARE & GASES LIMITED

Place : Mehsana
Date : 25/08/2014

Niket M Shah
Chairman & Mg. Director

AUDITOR'S REPORT ON CORPORATE GOVERNANCE

To,
The Board of Directors
HILLTONE SOFTWARE & GASES LIMITED
B/4, K.B. Complex, Dairy Road,
Mehsana (North Gujarat) – 384002

We have examined the compliance of the conditions of Corporate Governance by Hilltone Software & Gases Limited for the year ended 31st March, 2014 as stipulated in Clause 49 of the Listing Agreements of the said Company with stock exchanges in India.

The compliance of conditions of Corporate Governance is the responsibility of the Company's Management. Our examination was carried out in accordance with the Guidance Note on Certification of Corporate Governance (as stipulated in Clause 49 of the Listing Agreement), issued by the Institute of Chartered Accountants of India and was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreements except Company has not paid Listing fees to stock exchange and trading in shares has been suspended.

We state that no investor grievances are pending for a period exceeding one month against the Company as per the records maintained by the Registrar and Share Transfer Agent.

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

**For BPA & Company
Chartered Accountants**

**Place: Ahmedabad
Date: 25/08/2014**

**(Prakash Patel)
Partner**

CEO Certification

The Board of Directors
Hilltone Software & Gases Limited
Mehsana

Re: Financial Statements for the year 2013-14 - Certification by CEO

I Niket M. Shah, Managing Director of Hilltone Software & Gases Limited, on the basis of review of the financial statements and the Cash Flow Statement for the financial year ending 31st March, 2014 and to the best of my knowledge and belief, I hereby certify that:

1. These statements do not contain any materially untrue statements or omit any material fact or contains statements that might be misleading.
2. 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.
3. There are, to the best of my knowledge and belief, no transaction entered into by the Company during the year ended 31st March, 2014 which is fraudulent, illegal or violative of the Company's Code of Conduct.
4. I accept responsibility for establishing and maintaining internal controls, I have evaluated the effectiveness of the internal control systems of the Company and we have disclosed to the auditors and the Audit Committee those deficiencies, of which I am aware, in the design or operation of the internal control systems and that I have taken the required steps to rectify these deficiencies.
5. I further certify that:
 - a. There have been no significant changes in internal control during this year.
 - b. There have been no significant changes in accounting policies during this year.
 - c. There have been no instances of significant fraud of which we have become aware and the involvement therein, of management or an employee having significant role in the Company's internal control systems.

NIKET M SHAH

Managing Director

Place: Mehsana
Date: 25/08/2014

INDEPENDENT AUDITORS' REPORT

To

The Members of

HILLTONE SOFTWARE & GASES LIMITED

Report on the Financial Statements

We have audited the accompanying financial statements of **HILLTONE SOFTWARE & GASES LIMITED**, (“the company”) which comprise the Balance Sheet as at **31/03/2014**, and the Statement of Profit and Loss cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of financial position, financial performance and cash flow of the company in accordance with the accounting standards referred to in sub –section (3C) of section 211 of the Companies Act 1956 (“the Act”) read with the General Circular 15/2013 dated 13th September 2013 of the Ministry of Corporate Affairs in respect of section 133 of the Companies Act, 2013. The responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of financial statements that give a true and fair view and are free from material misstatements, whether due to fraud or error.

Auditor’s Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the standards on auditing issued by the Institute of Chartered Accountants of India. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from misstatements.

An audit involves performing procedure to obtain audit evidence about the amounts and disclosure in the financial statements. The procedure selected depend upon auditor’s judgement, including the assessment of the risk of material misstatements of the financial statements, whether due to fraud or error. In making those risk assessment, the auditor considers internal control relevant to the Company’s preparation and fair presentation of the financial statements in order to design audit procedure that are appropriate in the circumstances ,but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of financial statements.

We believe that audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) in case of the Balance Sheet, of the state of affairs of the Company as at 31/03/2014;
- (b) in case Statement of Profit and Loss Account, of the Profit for the year ended on that date;
- (c) in case of the Cash Flow Statements, of the cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order,2003("the order") issued by Central Government of India in terms of sub-section (4A) of section 227 of the Act, We give in the Annexure a statements on the matters specified in paragraphs 4 and 5 of the order.
2. As required by section 227(3) of the Act, we report that:
 - a. We have obtained all information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b. In our opinion proper books of account as required by Law have been kept by the Company so far as appears from our examinations of those books;
 - c. the Balance Sheet, Statement of Profit and Loss, and cash flow statments dealt with by this Report are in agreement with the books of account;
 - d. In our opinion , the Balance Sheet, Statement of Profit and Loss, and cash flow statments comply with the Accounting Standards referred to in sub-section(3C) of section 211 of the Companies Act,1956 , read with the General Circular 15/2013 dated 13th September 2013 of the Ministry of Corporate Affairs in respect of section 133 of the Companies Act, 2013, **except AS-15 and AS-22.**
 - e. On the basis of written representations received from the directors as on 31/03/2014 and taken on record by the Board of Directors, none of the director is disqualified as on 31/03/2014, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

Date : 25/08/2014
Place : Ahmedabad

FOR BPA & COMPANY
(Chartered Accountants)
FRN:109685W

CA. PRAKASH PATEL
Partner
M.No. : 030575

ANNEXURE TO THE AUDITORS' REPORT

1. In respect of its fixed assets:

The company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.

Fixed assets have been physically verified by the management at reasonable intervals; No material discrepancies were noticed on such verification.

No substantial part of fixed assets have been disposed off during the year, and it has not affected the going concern.

2. In respect of its inventories:

Inventory has been physically verified by the management at reasonable intervals during the year.

Procedures for physical verification of inventory followed by the management is reasonable and adequate in relation to the size of the company and the nature of its business. There is no inadequacies in such procedures that should be reported.

Company is maintaining proper records of inventory. No material discrepancies were noticed on physical verification.

3. In respect of loans granted and taken to / from parties covered in the register maintained u/s 301 of the Companies Act, 1956.

The company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained u/s 301 of the companies Act-1956.

The company has taken loan from Directors covered in the register maintained under section 301 of the Companies Act, 1956. The maximum amount involved during the year was Rs. 356596. and the year end balance of loans taken from such parties was Rs. 356596.

In our opinion the rate of Interest and other terms and condition of loans taken by the company, secured or unsecured, are not prima facie prejudicial to the interest of the company.

According to the information and explanation given to us, there is no specific stipulation as to the repayment of the principal amount and is regular in the payment of interest of such loan if any;

4. In respect of internal control

There are adequate internal control system commensurate with the size of the Company and the nature of its business for the purchase of inventory and fixed assets and for the sale of goods and services. During the course of our audit, no major weakness has been noticed in the internal control system.

5. In respect of contracts or arrangements need to be entered into a register maintained u/s 301 of the Companies Act, 1956

According to the information and explanation given to us, we are of the opinion that the particulars of contracts or arrangements referred to in section 301 of the companies Act 1956 have been entered in the register required to be maintained under that section.

In our opinion and according to the information and explanation given to us, the transactions made in pursuance of contracts or arrangements entered in the register maintained under section 301 of the companies Act 1956 are made at price which are reasonable having regard to prevailing market prices at the relevant time.

6. In respect of deposits from public

No deposits within the meaning of Sections 58A and 58AA or any other relevant provision of the Act and rules framed thereunder have been accepted by the Company.

7. In respect of internal audit system

The Company has no internal audit system.

8. In respect of maintenance of cost records

The Company is not required to maintain cost records pursuant to the Rules made by the Central Government for the maintenance of cost records under Section 209 (1)(d) of the Act.

9. In respect of statutory dues

- (a) The company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, investor education protection fund, employees' state insurance, income tax, sales tax, wealth tax, service tax, custom duty, excise duty, Cess and other material statutory dues applicable to it.
- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of income tax, wealth tax, services tax, sales tax, custom duty, excise duty and cess were in arrears, as at 31st March, 2014 for a period of more than six months from the date they became payable.

10. In respect of accumulated losses and cash losses

The company's accumulated losses at the end of the financial year are not more than fifty percent of its net worth. The company has not incurred cash loss during the year.

11. In respect of dues to financial institution / banks / debentures

The company has not defaulted in repayment of dues to financial institution, bank.

12. In respect of loans and advances granted on the basis of security

The company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.

13. In respect of provisions applicable to Chit fund

In our opinion and according to information and explanations given to us the company is not chit fund or a nidhi or mutual benefit fund/society. Accordingly, the provisions of clause 4(xiii) of the Order are not applicable to the company.

14. In respect of dealing or trading in shares, securities, debentures and other investment

According to information and explanations given to us the company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4(xiv) of the Order are not applicable to the company.

15. In respect of guarantee given for loans taken by others

On the basis of records examined by us and information provided by the management, we are of the opinion that the company has not given guarantees for loans taken by other from banks or financial institutions.

16. In respect of application of term loans

In our opinion, the term loans raised by the company during the year has been applied for the purpose for which it was raised.

17. In respect of fund used

Based on an overall examination of the Balance Sheet of the company and a review of the consolidated fund flow statement for the year, we report that no funds raised on short-term basis have been used for long-term investment.

18. In respect of preferential allotment of shares

The company has not made any preferential allotment of shares to parties and companies covered in the register maintained u/s 301 of the Act, during the year.

19. In respect of securities created for debentures

The company has not issued any debentures during the year. Therefore provisions of clause 4(xix) of the Order are not applicable to the company.

20. In respect of end use of money raised by public issues

The company has not raised any money from the public during the year under audit.

21. In respect of fraud

According to the information and explanation given to us, no fraud on or by the company has been noticed or reported during the year.

Place : Ahmedabad
Date : 25/08/2014

FOR BPA & COMPANY
(Chartered Accountants)
FRN. :109685W

CA. PRAKASH PATEL
(Partner)
Membership No : 030575

HILLTONE SOFTWARE & GASES LIMITED

BALANCE SHEET AS AT 31st March 2014

(Amt. in Rs.)

Particulars	Note No.	2013-14	2012-13
I. EQUITY AND LIABILITIES			
1 Shareholders' funds			
(a) Share capital	1	40,003,000	40,003,000
(b) Reserves and surplus	2	(17,930,780)	(18,890,550)
(c) Money received against share warrants		-	-
2 Share application money pending allotment			
3 Non-current liabilities			
(a) Long-term borrowings	3	623,480	888,193
(b) Deferred tax liabilities (Net)		-	-
(c) Other Long term liabilities	4	235,600	235,600
(d) Long-term provisions		-	-
4 Current liabilities			
(a) Short-term borrowings	5	2,574,950	2,016,622
(b) Trade payables		2,993,566	1,820,224
(c) Other current liabilities	6	25,590	403,228
(d) Short-term provisions	7	32,341	55,140
TOTAL		28,557,747	26,531,457
II. ASSETS			
Non-current assets			
1 (a) Fixed assets	8	6,417,773	7,825,901
(i) Tangible assets		6,202,247	7,606,971
(ii) Intangible assets		215,526	218,930
(iii) Capital work-in-progress		-	-
(iv) Intangible assets under development		-	-
(b) Non-current investments	9	64,000	64,000
(c) Deferred tax assets (net)		-	-
(d) Long-term loans and advances	10	13,631,929	12,538,823
(e) Other non-current assets	11	2,338,182	2,485,365
2 Current assets			
(a) Current investments		-	-
(b) Inventories	12	132,028	144,410
(c) Trade receivables	13	4,563,266	2,939,748
(d) Cash and cash equivalents	14	1,162,696	321,878
(e) Short-term loans and advances	15	4,146	18,000
(f) Other current assets	16	243,727	193,332
TOTAL		28,557,747	26,531,457
Significant Accounting Policies	24		
Notes on Financial Statements			

As per our separate Report of even Date

On Behalf of the Board of Directors

FOR, BPA & COMPANY

Chartered Accountants

FRN No.: 109685W

NIKET M. SHAH

CA. PRAKASH PATEL

Partner

M. No.:30575

Place : Ahmedabad

Date : 25th August 2014

HITAL M. SHAH

HILLTONE SOFTWARE & GASES LIMITED
PROFIT AND LOSS STATEMENT FOR THE YEAR ENDED ON 31st March 2014

(Amt. in Rs.)

Particulars	Refer Note No.	2013-14	2012-13
I. Revenue from operations	17	20,277,106	22,216,246
II. Other income	18	1,774,815	1,486,360
III. Total Revenue (I + II)		22,051,921	23,702,606
IV. Expenses:			
Purchases of Stock-in-Trade	19	15,900,328	17,454,384
Changes in inventories of Stock-in-Trade	20	12,382	16,622
Employee benefits expense	21	2,149,956	2,073,786
Finance costs	22	278,101	258,696
Depreciation and amortization expense		1,152,079	1,434,953
Other expenses	23	1,599,305	4,150,586
Total expenses		21,092,151	25,389,027
V. Profit before exceptional and extraordinary items and tax (III-IV)		959,770	(1,686,421)
VI. Exceptional items		-	-
VII. Profit before extraordinary items and tax (V - VI)		959,770	(1,686,421)
VIII. Extraordinary Items		-	-
IX. Profit before tax (VII- VIII)		959,770	(1,686,421)
X Tax expense:			
(1) Current tax		-	-
(2) Deferred tax		-	-
XI Profit (Loss) for the period from continuing operations (VII-VIII)		959,770	(1,686,421)
XII Profit/(loss) from discontinuing operations		-	-
XIII Tax expense of discontinuing operations		-	-
XIV Profit/(loss) from Discontinuing operations (after tax) (XII-XIII)		-	-
XV Profit (Loss) for the period (XI + XIV)		959,770	(1,686,421)
XVI Earnings per equity share:			
(1) Basic		(0.42)	(0.11)
(2) Diluted		(0.42)	(0.11)
Significant Accounting Policies Notes on Financial Statements	24		

As per our separate Report of even Date

On Behalf of the Board of Directors

FOR, BPA & COMPANY

Chartered Accountants

FRN No.: 109685W

NIKET M. SHAH

CA. PRAKASH PATEL

Partner

M. No.:30575

Place : Ahmedabad

Date : 25th August 2014

HITAL M. SHAH

Note 1**Share capital****(Amount in Rs.)**

Share Capital	2013-14	2012-13
	Amount	Amount
Authorised		
1 % preference shares of Rs. 10/-	-	-
50,00,000 Equity Shares of Rs. 10/- each	50,000,000	50,000,000
Issued		
__% preference shares of `__ each	-	-
40,00,300 Equity Shares of Rs. 10/- each	40,003,000	40,003,000
Subscribed & Paid up		
__% preference shares of `__ each	-	-
40,00,300 Equity Shares of Rs. 10/- each fully paid	40,003,000	40,003,000
Forfeited Shares (Amount Originally Paid up)	-	-
Subscribed but not fully Paid up	Nil	Nil
Total	40,003,000	40,003,000

Reconciliation of the number of shares outstanding at the beginning and at the end of the reporting period**(Amount in Rs.)**

Particulars	2013-14		2012-13	
	Number	Amount	Number	Amount
Shares outstanding at the beginning of the year	4,000,300	40,003,000	4,000,300	40,003,000
Shares Issued during the year	-	-	-	-
Shares bought back during the year	-	-	-	-
Shares Forfeited during the year	-	-	-	-
Shares outstanding at the end of the year	4,000,300	40,003,000	4,000,300	40,003,000

Shares in the company held by each shareholder holding more than 5 percent shares

Name of Shareholder	2013-14		2012-13	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
NIKET M. SHAH	471,900	11.80	471,900	11.80
HITAL M. SHAH	387,700	9.69	387,700	9.69
MAHENDRA B. SHAH	307,200	7.68	307,200	7.68

Shares issued for other than cash, Bonus issue and Shares bought back during last 5 years , NIL

Unpaid Calls, NIL (Previous Year Rs.. Nil)

Forfeited shares - _____ Shares for Rs. _____, (Previous Year Rs. _____.)

Note 2**Reserves and surplus****(Amount in Rs.)**

	2013-14	2012-13
	a. Other Reserves	
Capital Investment Subsidy from State Govt.	966,342	966,342
	966,342	966,342
b. Surplus		
Opening balance	(19,856,892)	(18,170,471)
(+) Net Profit/(Net Loss) For the current year	959,770	(1,686,421)
(+) Transfer from Reserves	-	-
(-) Proposed Dividends	-	-
(-) Interim Dividends	-	-
(-) Transfer to Reserves	-	-
Closing Balance	(18,897,122)	(19,856,892)
Total	(17,930,780)	(18,890,550)

Note 3**Long Term Borrowings****(Amount in Rs.)**

	2013-14	2012-13
	Secured	
The Mehsana Urban Co Op. Bank Ltd. (Secured By Plant & Machinery) (of the above, ₹ NIL is guaranteed by Directors and / or others)	623,480	888,193.00
	623,480	888,193.00
Total	623,480	888,193

Note 4**Other Long Term Liabilities****(Amount in Rs.)**

	2013-14	2012-13
(a) Trade Payables	-	-
(b) Others (Specify Nature)	-	-
Deposit against Cylinder	235,600	235,600
CDSL	-	-
MCS Ltd.	-	-
NSDL	-	-
Shah Merchant & Associates	-	-
Total	235,600	235,600

Note 5**Short Term Borrowings****(Amount in Rs.)**

	2013-14	2012-13
Secured		
The Mehsana Urban Co Op. Bank Ltd. (Secured By Plant & Machinery) (of the above, ₹ NIL is guaranteed by Directors and / or others)	396,000	396,000
Bank Overdraft (Secured against Stock and Book debt)	1,822,354	1,306,026
	2,218,354	1,702,026
Unsecured		
(a) Loans and advances from related parties (of the above, 3,56,596/- is guaranteed by Directors)	356,596	314,596
(b) Other loans and advances (specify nature) Advance for sale of Plant & Machinery	-	-
	356,596	314,596
Total	2,574,950	2,016,622

Note 6**Other Current Liabilities****(Amount in Rs.)**

	2013-14	2012-13
(a) Vat Payable	25,590	16,930
(b) Other Payable	-	386,298
Total	25,590	403,228

Note 7**Short Term Provisions****(Amount in Rs.)**

	2013-14	2012-13
(a) Others (Specify nature)		
Provision for Electricity Exp.	12,408	35,989
Provision for tax Audit fees	16,854	16,854
Provision for Telephone Exp.	3,079	2,297
Total	32,341	55,140

Note 8

	Fixed Assets	Gross Block					Accumulated Depreciation					Net Block		
		Balance as at 1st April 2013	Additions	(Disposals / Deductions)	Acquired through business combinations	Revaluations/ (Impairments)	Balance as at 31st March 2014	Balance as at 1st April 2013	Depreciation charge for the year	Adjustment due to revaluations	On disposals	Balance as at 31st March 2014	Balance as at 1st April 2013	Balance as at 31st March 2014
a	Tangible Assets													
	Land	1,295,537	-	-	-	-	1,295,537	-	-	-	-	-	1,295,537	1,295,537
	Assets under lease	-	-	-	-	-	-	-	-	-	-	-	-	-
	Office Buildings	-	-	-	-	-	-	-	-	-	-	-	-	-
	Assets under lease	-	-	-	-	-	-	-	-	-	-	-	-	-
	Factory Buildings	5,903,014	-	-	-	-	5,903,014	2,892,494	197,161	-	-	3,089,655	3,010,520	2,813,359
	Assets under lease	-	-	-	-	-	-	-	-	-	-	-	-	-
	Plant and Equipment	8,287,642	-	(300,000)	-	-	7,987,642	5,175,271	935,821	-	-	6,111,092	3,112,371	1,876,550
	Assets under lease	-	-	-	-	-	-	-	-	-	-	-	-	-
	Furniture and Fixtures	642,324	-	-	-	-	642,324	612,637	-	-	-	612,637	29,687	29,687
	Furniture and Fixtures (New)	-	31,450	-	-	-	31,450	-	1,871	-	-	1,871	-	29,579
	Assets under lease	-	-	-	-	-	-	-	-	-	-	-	-	-
	Vehicles	-	-	-	-	-	-	-	-	-	-	-	-	-
	Assets under lease	-	-	-	-	-	-	-	-	-	-	-	-	-
	Office equipment	250,663	-	-	-	-	250,663	111,854	11,906	-	-	123,760	138,809	126,903
	Assets under lease	-	-	-	-	-	-	-	-	-	-	-	-	-
	Computers	400,937	-	-	-	-	400,937	380,890	-	-	-	380,890	20,047	20,047
	Computers (new)	-	12,500	-	-	-	12,500	-	1,915	-	-	1,915	-	10,585
	Others (specify nature)	-	-	-	-	-	-	-	-	-	-	-	-	-
	Total	16,780,117	43,950	(300,000)	-	-	16,524,067	9,173,146	1,148,674	-	-	10,321,820	7,606,971	6,202,247
b	Intangible Assets													
	Goodwill	-	-	-	-	-	-	-	-	-	-	-	-	-
	Brands /trademarks	-	-	-	-	-	-	-	-	-	-	-	-	-
	Computer software	4,000,000	-	-	-	-	4,000,000	3,800,000	-	-	-	3,800,000	200,000	200,000
	Computer software (for cylinders)	21,000	-	-	-	-	21,000	2,070	3,404	-	-	5,474	18,930	15,526
	Mastheads and publishing titles	-	-	-	-	-	-	-	-	-	-	-	-	-
	Mining rights	-	-	-	-	-	-	-	-	-	-	-	-	-
	Copyrights, and patents and other intellectual property rights, services and operating rights	-	-	-	-	-	-	-	-	-	-	-	-	-
	Recipes, formulae, models, designs and prototypes	-	-	-	-	-	-	-	-	-	-	-	-	-
	Licenses and franchise	-	-	-	-	-	-	-	-	-	-	-	-	-
	Others (specify nature)	-	-	-	-	-	-	-	-	-	-	-	-	-
	Total	4,021,000	-	-	-	-	4,021,000	3,802,070	3,404	-	-	3,805,474	218,930	215,526
c	Capital Work In Progress	-	-	-	-	-	-	-	-	-	-	-	-	-
	Total	-	-	-	-	-	-	-	-	-	-	-	-	-
d	Intangible assets under Development	-	-	-	-	-	-	-	-	-	-	-	-	-
	Total	20,801,117	43,950	(300,000)	-	-	20,545,067	12,975,216	1,152,078	-	-	14,127,294	7,825,901	6,417,773
	Previous Year	25,616,070	27,000	-	-	-	25,643,070	14,012,351	2,445,388	-	-	16,457,739	11,603,719	9,185,331

Note 9**Non-current investments (Amount in Rs.)**

Particulars	2013-14	2012-13
Other Investments (Refer B below)		
(a) Investment Property	-	-
(b) Investment in equity instruments	64,000	64,000
Total	64,000	64,000
Less : Provision for diminution in the value of investments	-	-
Total	64,000	64,000

(Amount in Rs.)

Particulars	2013-14	2012-13
Aggregate amount of quoted investments (Market value of ___ Nos. of _____)	-	-
Aggregate amount of unquoted investments (Previous Year : 64000)	64,000	64,000

Note 10**Long Term Loans and Advances (Amount in Rs.)**

	2012-13	2011-12
a. Security Deposits		
Secured, considered good		
Unsecured, considered good	7,727,150	1,018,413
Doubtful		
Less: Provision for doubtful deposits		
	7,727,150	1,018,413
b. Other loans and advances (specify nature)		
Secured, considered good	-	-
Unsecured, considered good	5,904,779	11,520,410
Doubtful	-	-
Less: Provision for _____		
	5,904,779	11,520,410
	13,631,929	12,538,823

Note 11**Other non-current assets (Amount in Rs.)**

	2013-14	2012-13
a. Long term trade receivables (including trade receivables on deferred credit terms)		
Secured, considered good	-	-
Unsecured, considered good	2,338,182	2,485,365
Doubtful	-	-
Less: Provision for doubtful debts		
	2,338,182	2,485,365
	2,338,182	2,485,365

Note 12**Inventories (Amount in Rs.)**

	2013-14		2012-13	
a. Finished goods (Valued at _____)	132,028		144,410	
Goods-in transit				144,410
			132,028	
Total		132,028		144,410

Note 13**Trade Receivables****(Amount in Rs.)**

	2013-14	2012-13
Trade receivables outstanding for a period less than six months from the date they are due for payment.		
Secured, considered good	-	-
Unsecured, considered good	4,504,553	2,830,100
Unsecured, considered doubtful	-	-
Less: Provision for doubtful debts	-	-
	4,504,553	2,830,100
Trade receivables outstanding for a period exceeding six months from the date they are due for payment		
Secured, considered good		
Unsecured, considered good	58,713	109,648
Unsecured, considered doubtful		
Less: Provision for doubtful debts		
	58,713	109,648
Total	4,563,266	2,939,748

Note 14**Cash and cash equivalents****(Amount in Rs.)**

	2013-14		2012-13	
a. Balances with banks*		25,067		28,206
This includes:				
Current Accounts	25,067		28,206	
b. Cheques, drafts on hand		-		-
c. Cash on hand*		837,629		293,672
d. Fixed Deposit (Pledge with Bank for Gurantee)		300,000.00		-
		1,162,696		321,878

*Repatriation restrictions, if any, in respect of cash and bank balances shall be separately stated.

Note 15**Short-term loans and advances****(Amount in Rs.)**

	2013-14		2012-13	
a. Loans and advances to related parties				
Secured, considered good	-	-	-	-
Unsecured, considered good	-	-	-	-
Doubtful	-	-	-	-
Less:Provision for doubtful loans and advances		-		-
b. Others (specify nature)				
Secured, considered good				
Unsecured, considered good				
Prepaid Insurance	4,146	-	-	-
Advacnce to Staff	-	-	18,000	-
Doubtful	-	-	-	-
Less:Provision for _____	-	-	-	-
		4,146		18,000
		4,146		18,000

Related Party Transaction**(Amount in Rs.)**

Particulars	2013-14	2012-13
Directors *		
Other officers of the Company *		
Firm in which director is a partner *		
Private Company in which director is a member		
	-	-

*Either severally or jointly

Note 16**Other Current Assets****(Amount in Rs.)**

Particulars	2013-14	2012-13
Prepaid Income Tax / Advance Tax / T.D.S. (Net of Provisions, if any)	243,727	193,332
	243,727	193,332
	243,727	193,332

Note 17**Revenue from operations****(Amount in Rs.)**

Particulars	2013-14	2012-13
Sale of products	20,141,678	22,021,295
Other operating revenues	135,428	194,951
Total	20,277,106	22,216,246

Sale of Products includes:

1. Sale of Oxygen & Other Gases	20,141,678
2. Sale of Spindals & Valves	-

Other Operating Income includes:

1. Cylinder Testing Income	-
2. Cylinder Maintenance Income	28,740
3. Cylinder Rent Income	99,972
4. Creditor Write off	-
5. Cylinder Flashing	4,866
6. Cylinder Printing Exp.	1,850

Note 18**Other income****(Amount in Rs.)**

Particulars	2013-14	2012-13
Interest Income (in case of a company other than a finance company)	1,099,070	976,099
Dividend Income	9,000	8,250
Net gain/loss on sale of fixed assets (LTCG on Sale of Land)	-	184,993
Other income (Commission Income)	349,745	-
Other income (Land Maintenance Income)	90,000	90,000
Other income (Land Rent Income)	227,000	117,000
Other income [Excess Depreciation (Prior Period item)]	-	110,018
Forward Exchange Contract Premium	-	-
Total	1,774,815	1,486,360

Note 19**Purchases of Stock-in-Trade****(Amount in Rs.)**

Particulars	2013-14	2012-13
Purchases of Stock-in-Trade	15,900,328	17,454,384
Total	15,900,328	17,454,384

Note 20**Changes in inventories of finished goods work-in-progress and Stock-in-Trade****(Amount in Rs.)**

Particulars	2013-14	2012-13
Opening Stock :		
Work-in-Process	-	-
Finished Goods		
Traded Items	144,410	161,032
Closing Stock :		
Work-in-Process	-	-
Finished Goods	-	-
Traded Items	132,028	144,410
Add/(Less): Excise Duty adjustment on Finished Goods	-	-
Total	12,382	16,622

Note 21**Employee Benefits Expense****(Amount in Rs.)**

	2013-14	2012-13
(a) Salaries and incentives	2,149,356	2,069,942
(b) Staff welfare expenses	600	3,844
Total	2,149,956	2,073,786

Note 22**Finance costs****(Amount in Rs.)**

Particulars	2013-14	2012-13
Interest expense	143,361	140,175
Interest on Term Loan	131,287	115,193
Bank Charges etc.	3,453	3,328
Total	278,101	258,696

Note 23**Other expenses****(Amount in Rs.)**

Particulars	2013-14	2012-13
Advertisement Expenses	-	1,540
Conveyance Expenses	14,000	-
Donation	-	150,000
Electricity expenses	388,558	550,432
Excess Vat W/off	283	5,158
Insurance -Others	8,292	27,680
Legal and Consultancy Fees	153,846	114,010
Legal Charges	28,000	32,200
Office Expenses	190,897	149,509
Other Expenses	331,160	460,458
Postage & Courier Charges	15,551	11,855
Printing & Stationery	35,103	39,674
Rates & Taxes	-	1,301
Rent	267,000	231,500
Repair and Maintenance-Others	87,321	100,486
STCG on Sale of Plant & Machinery	-	2,206,839
Tele Communication Expenses	39,968	28,618
Payments to the auditor as		
a. auditor	22,472	22,472
b. for taxation matters	16,854	16,854
Total	1,599,305	4,150,586

NOTES FORMING PART OF THE ACCOUNTS

Note 24: SIGNIFICANT ACCOUNTING POLICIES

1. **BASIS OF ACCOUNTING:**
The Accounts of the Company are prepared under historical cost convention on accrual basis on going concern concept and complied with mandatory Accounting Standards issued by ICAI. Accounting Policies have been consistently applied by the company and are consistent with those used in previous year.

2. **FIXED ASSETS AND DEPRECIATION:**
A) Fixed assets are stated at cost of acquisition.
B) Depreciation for the year has been provided at the rates and in the manner specified in schedule XIV of the companies Act, 1956 at Straight Line Method on all assets.
C) The items where the total value is depreciated due to application of SLM method, 5% value is kept in books of account.

3. **INVENTORIES:**
Inventories as valued, taken and certified by the management are as under.
Finished Goods : Cost (FIFO Basis) or Net realizable Value, whichever is lower.

4. **INVESTMENTS:**
Long Term investments are stated at cost.

5. **REVENUE RECOGNITION:**
The Company is in business of filling Industrial Gases in Gas Cylinders. Sales Comprises of sale of industrial Gases by Company's own Cylinders and also filling of Industrial Gas in Cylinder of Customers. The Company is also doing the activity of testing & maintenance of Cylinders. The sale is booked on billing and delivery.

6. **RETIREMENT BENEFITS:**
Gratuity and Leave encashment are considered on cash basis and paid for earned leave encashment.

7. **CONTINGENT LIABILITIES:**
There are no Contingent liabilities.

8. **OTHER NOTES:**
Related party disclosure

Transactions with related party.

Particular	Nature of Transaction	Amount
Niket M Shah	Remuneration paid	384000
	Loan received	178596
Hital M Shah	Remuneration paid	384000
	Loan received	178000

HILLTONE SOFTWARE & GASES LIMITED
CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH 2014

	For the year ended on 31st March, 2014		For the year ended on 31st March, 2013	
	RUPEES	RUPEES	RUPEES	RUPEES
A. CASH FLOW FROM OPERATING ACTIVITIES				
Net Profit/Loss before tax and extraordinary items	959770		(1686421)	
Adjustments For :				
Depreciation	1152079		1434953	
Excess Depreciation (Prior Period Item)	-		(110018)	
Interest Exp.	274648		255368	
Profit/Loss on Sale of Investments/assets	-		2021846	
Other Income	(1425070)		(1191349)	
		961427		724379.00
Operating Profit before Working Capital Changes				
Adjustment For :				
Current Assets	(1500494)		(695963)	
Current Liabilities	935233		(8964)	
Increase / Decrease in Net Current Assets	(565261)		(704927)	
		(565261)		(704927)
Net Cash from operating activities		396166		19452
B. CASH FLOW FROM INVESTING ACTIVITIES				
Purchase of fixed assets/Ad. Against	(43950)		(2746279)	
Purchase of Investmet	-		(10000)	
Increase in Deposit & Advances	(1093106)			
Sale realisation on sale of Fixed Assests	300000		758928	
Dividend Income Received	9000		8250	
Land Maintanance Income	90000		90000	
Rent Received	227000		117000	
Net Cash used in investing activities		(511056)		(1782101)
C. CASH FLOW FROM FINANCING ACTIVITIES				
Bank Borrowings	131287		1185458	
Other Borrowongs	-		(238000)	
Interest Income	1099070		976099	
Interest Exp.	(274648)		(255368)	
Net Cash from financing activities		955709		1668189
Net increase in Cash and Cash equivalents	840819		(94460)	
Cash and Cash equivalents at beginning of the year	321878		416338	
Cash and Cash equivalents at close of the year	1162697		321878	

As per our separate Report of even Date

On Behalf of the Board of Directors

FOR, BPA & COMPANY

Chartered Accountants
FRN No.: 109685W

NIKET M. SHAH

CA. PRAKASH PATEL

Partner
M. No.:30575

Place : Ahmedabad

Date : 25th August 2014

HITAL M. SHAH

HILLTONE SOFTWARE & GASES LIMITED

Regd. Office : B/4, K.B.Complex, Dairy Road, Mehsana – 384002

**Form No. MGT-11
PROXY FORM**

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

Name of the Member(s) :	_____
Registered Address :	_____
E-mail ID:	_____
*Folio No./DP ID & Client ID:	_____

*For details with respect to you Folio No./DP ID, Client ID and number of shares, please refer to above Attendance Slip enclosed along with the Annual Report.

I/We, being the member(s) of _____ shares of the above name company, hereby appoint

1. Name: _____ E-mail ID: _____
Address: _____
Signature: _____, or failing him/her
2. Name: _____ E-mail ID: _____
Address: _____
Signature: _____

as my/our to attend and vote (on a poll) for me/us on mu/our behalf at the 21st Annual General Meeting of the company, to be held on Tuesday, the 30th September, 2014 at 11.30 a.m. at the registered office of the company and at my adjournment thereof in respect of such resolutions and in such manner as are indicated below:

Resolution No.	Resolutions	Optional	
		For	Against
Ordinary Business			
1.	Adoption of Audited Financial Statements, Directors' Report & Auditors' Report for the year ended 31.03.2014		
2.	Re-appointment of Mr. Dinesh Shah as director		
3.	Re-appointment of M/s BPA & Company as Statutory Auditors of the company		
Special Business			
4.	Special Resolution for increasing the borrowing power as per provisions of section 180(1)(c) of the Companies Act, 2013		
5.	Special Resolution for creation of charge over movable/immovable assets as per the provisions of section 180(1)(a) of the Companies Act, 2013		
6.	Appointment of Mr. Hital Shah (DIN:00279026) as Executive Director and fixation of remuneration		
7.	Appointment of Mr. Niket Shah (DIN:00278968) as Managing Director and fixation of remuneration		

Singed this _____ day of _____ 2014.

Signature of Shareholder

Signature of Proxy holder(s)

Affix Revenue Stamp

Notes:

1. A proxy need not be a members of the company. Pursuant to the provisions of the section 105 of the Companies Act, 2013, a person can act as proxy on behalf of not more than fifty members and holding in aggregate not more than ten percent of the total share capital of the company. Members holding more than ten percent of the total share capital of the company may appoint a single person as proxy, who shall not act as proxy for any other member.
2. It is optional to put a 'X' in the appropriate column against the resolutions indicated in the Box. If you leave the 'For' or 'Against' column blank against any or all resolutions, your proxy will be entitled to vote in the manner as he/she thinks appropriate.
3. For the resolutions, explanatory statement and notes, please refer to the notice of the 21st Annual General Meeting of the company.
4. This form of proxy, to be effective should by duly completed and deposited at the registered office of the company, not later than 48 hours before the commencement of the aforesaid meeting.

BOOK POST

If undelivered Please return to:

HILLTONE SOFTWARE & GASES LIMITED

B/4, K.B. Complex,

Dairy Road,

Mehsana – 384 002