

# **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 2022, 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 2022, 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,

2022 taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March, 2022 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.

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 : 15/06/2022  
Place : Santej

**CA. Chintan M. Doshi**  
Partner  
M.No. : 118298  
**UDIN : 22118298AOYEAE3948**

## **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 2022 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 : 15/06/2022  
Place : Santej

**CA. Chintan M. Doshi**  
Partner  
M.No. : 118298  
**UDIN : 22118298AOYEAE3948**

**“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 of current assets. 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.
- 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 made any investments and also not provided any loans or advances in the nature of loans.
- 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. So, in our opinion the provisions of Section 185 and 186 of the Companies Act, 2013 ("the Act") have been complied with.
- 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 2022, 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, no report 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 realisation 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
  - (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 & Associates**  
Chartered Accountants)  
(Firm's Reg. No. 107550W)

Date: June 15, 2022  
Place : Santej

**CA. Chintan M. Doshi**  
Partner  
M. No. : 118298  
**UDIN: 22118298AOYEAE3948**

**HILLTONE SOFTWARE & GASES LIMITED**  
**Balance Sheet as at March 31, 2022**

(Amount in Lakhs)

Particulars	Notes	As at March 31, 2022	As at March 31, 2021
<b>I. ASSETS</b>			
<b>Non-current Assets</b>			
(a)Property, plant and equipment	3	283.19	270.25
(b)Intangible assets	4	0.05	0.08
(c)Financial assets		-	-
(i)Investments	5	2.29	2.29
(iii)Other financial assets		-	-
(d)Other non-current assets	6	173.54	162.70
(e)Deferred tax assets (net)	15	7.83	4.94
		466.91	440.26
<b>Current Assets</b>			
(a)Inventories	7	10.98	40.99
(b)Financial assets			
(i)Trade receivables	8	123.84	119.90
(ii)Cash and cash Equivalents	9	5.05	9.02
(c)Current tax assets (net)	10	2.70	0.20
(d)Other current assets (net)	11	15.66	19.16
		158.24	189.28
<b>TOTAL</b>		<b>625.15</b>	<b>629.54</b>
<b>II. EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
(a)Share capital	12	400.03	400.03
(b)Other equity	13	47.94	31.34
		447.97	431.37
<b>Non-current Liabilities</b>			
(a)Financial liabilities			
(i)Borrowings	14	43.57	44.85
(ii)Other non current liabilities	16	29.19	26.88
		72.76	71.73
<b>Current Liabilities</b>			
(a)Financial liabilities			
(i)Borrowings	14	51.92	52.94
(ii)Trade payables	17	49.45	69.81
(iii)Provisions	18	3.05	3.68
		104.42	126.44
<b>TOTAL</b>		<b>625.15</b>	<b>629.54</b>

Summary of Significant Accounting Policies  
 Accompanying Notes are integral part of the Financials

1 & 2

**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: 15/06/2022

**ABIRA I.MANSURI**  
 Company Secretary  
**Mem. No:42410**

**PRAFULLBHAI MAKVANA**  
 Chief Financial officer

**HILLTONE SOFTWARE & GASES LIMITED**  
**Statement of Profit and Loss for the Year ended March 31, 2022**

(Amount in Lakhs)

Particulars	Notes	Year Ended March 31, 2022	Year Ended March 31, 2021
<b>Income</b>			
Revenue from operations	19	649.80	577.02
Other income	21	12.91	16.85
<b>Total Income (I)</b>		662.71	593.87
<b>Expenses:</b>			
Purchases of Stock-in-trade	22	422.24	436.36
Changes in Inventories of Stock-in-trade	20	30.01	13.47
Employee benefits expenses	23	73.54	53.10
Finance costs	24	12.32	14.85
Other expenses	25	97.87	55.56
Depreciation and amortisation expenses	3/4	10.51	8.31
<b>Total Expenses (II)</b>		646.47	581.64
<b>Profit before Tax (I)-(II)</b>		16.24	12.23
<b>Tax Expenses</b>			
Current tax		2.53	0.42
Deferred tax		(0.46)	(0.64)
MAT credit entitlement		(2.43)	-
<b>Profit for the year</b>		16.60	12.45
<b>Other comprehensive income</b>			
<b>Items that will not be reclassified subsequently to profit or loss</b>			
Actuarial (loss) / Gain relating to Leave and Gratuity		-	-
Income tax effect		-	-
<b>Net other comprehensive income not to be reclassified subsequently to profit or loss</b>		-	-
<b>Total comprehensive income for the year</b>		<b>16.60</b>	<b>12.45</b>
Earnings per equity share of Face Value Rs 10 each: Basic and Diluted (in INR)	32	0.41	0.31

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

Place: Santej

Date: 15/06/2022

**ABIRA I.MANSURI**

Company Secretary

Mem. No:42410

**PRAFULLBHAI MAKVANA**

Chief Financial officer

**HILLTONE SOFTWARE & GASES LIMITED**  
**Cash Flow Statement For the year ended March 31, 2022**

(Amount in Lakhs)

<b>PARTICULARS</b>	<b>Year Ended March 31, 2022</b>	<b>Year Ended March 31, 2021</b>
<b><u>CASH FLOW FROM OPERATION ACTIVITIES :</u></b>		
Profit before tax	16.24	12.23
<b>Non Cash Expenses / Incomes :-</b>	<b>10.51</b>	<b>8.83</b>
Depreciation and amortisation expenses	10.51	8.31
Gain/(Loss) on sale of Land		
<b>Considered Under Different Head :-</b>	<b>0.52</b>	<b>4.18</b>
Interest paid	12.32	14.85
Interest income	(11.79)	(10.66)
<b>Changes in Working Capital</b>	<b>(0.98)</b>	<b>2.31</b>
<i>Trade receivables</i>	(3.94)	(19.99)
<i>Inventory</i>	30.01	13.47
<i>Other current assets</i>	3.51	11.42
<i>Trade payables</i>	(20.36)	8.19
<i>Short term borrowing</i>	(1.02)	(6.66)
<i>Other financial liabilities</i>	(0.63)	6.51
<i>Deposit from vendors received</i>	2.31	7.30
<i>Other non-current assets</i>	(10.85)	(17.92)
<b>Direct taxes paid (net)</b>	<b>(5.04)</b>	<b>(1.33)</b>
<b>NET CASH FROM OPERATING ACTIVITIES</b>	<b>21.25</b>	<b>26.22</b>
<b><u>CASH FLOWS FROM INVESTING ACTIVITIES :</u></b>		
Interest received	11.79	10.66
Purchase of tangible and intangible assets including CWIP	(23.42)	(15.30)
Proceeds from sale of property, plant and equipment	-	1.89
Change in fixed deposits with accrued interest	-	1.42
<b>NET CASH GENERATED IN INVESTING ACTIVITIES</b>	<b>(11.62)</b>	<b>(1.33)</b>
<b><u>CASH FLOW FROM FINANCING ACTIVITIES :</u></b>		
Interest paid	(12.32)	(14.85)
Repayment of Loan liability	(1.28)	(3.03)
<b>NET CASH FLOWS USED IN FINANCING ACTIVITIES</b>	<b>(13.60)</b>	<b>(17.87)</b>
<b>NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS</b>		
Cash and cash equivalents at the beginning of the period		
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD</b>	<b>5.05</b>	<b>9.02</b>
<b>Components of cash and cash equivalents</b>		
Cash on hand	2.34	6.39
Balance with banks	1.71	2.63
Fixed deposits with bank (maturity within 12 months)	1.00	-
<b>TOTAL</b>	<b>5.05</b>	<b>9.02</b>

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: 15/06/2022

**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**

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*
<b>Gross carrying amount</b>								
As at March 31, 2020	60.59	156.43	5.30	9.73	3.13	16.84	252.02	142.99
Additions	0.45	6.91	0.09	0.50	1.15	-	9.10	6.20
Disposals	-	-	-	-	-	6.23	6.23	-
<b>As at March 31, 2021</b>	<b>61.04</b>	<b>163.34</b>	<b>5.39</b>	<b>10.23</b>	<b>4.28</b>	<b>10.61</b>	<b>254.90</b>	<b>149.18</b>
Additions	-	12.61	0.72	2.05	1.86	6.18	23.42	-
Disposals	-	-	-	-	-	-	-	-
<b>As at March 31, 2022</b>	<b>61.04</b>	<b>175.95</b>	<b>6.11</b>	<b>12.28</b>	<b>6.14</b>	<b>16.79</b>	<b>278.31</b>	<b>149.18</b>
<b>Accumulated depreciation</b>								
As at March 31, 2020	36.46	73.48	4.85	6.85	2.50	5.21	129.36	-
Additions	1.12	3.94	0.18	0.28	0.14	2.63	8.28	-
Disposals	-	-	-	-	-	3.81	3.81	-
<b>As at March 31, 2021</b>	<b>37.58</b>	<b>77.42</b>	<b>5.03</b>	<b>7.13</b>	<b>2.64</b>	<b>4.02</b>	<b>133.82</b>	-
Additions	1.15	5.03	0.29	0.79	0.65	2.58	10.48	-
Disposals	-	-	-	-	-	-	-	-
<b>As at March 31, 2022</b>	<b>38.73</b>	<b>82.45</b>	<b>5.31</b>	<b>7.92</b>	<b>3.28</b>	<b>6.61</b>	<b>144.30</b>	-
<b>Net carrying amount</b>								
As at March 31, 2021	23.46	85.92	0.36	3.10	1.64	6.59	121.07	149.18
As at March 31, 2022	22.31	93.50	0.80	4.37	2.86	10.18	134.01	149.18

\* 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
<b>Gross carrying amount</b>		
As at March 31, 2020	0.51	0.51
Additions	-	-
Disposals	-	-
As at March 31, 2021	0.51	0.51
Additions	-	-
Disposals	-	-
<b>As at March 31, 2022</b>	<b>0.51</b>	<b>0.51</b>
<b>Accumulated depreciation</b>		
As at March 31, 2020	0.39	0.39
Additions	0.03	0.03
Disposals	-	-
As at March 31, 2021	<b>0.42</b>	<b>0.42</b>
Additions	0.03	0.03
Disposals	-	-
<b>As at March 31, 2022</b>	<b>0.45</b>	<b>0.45</b>
<b>Net carrying amount</b>		
As at March 31, 2021	0.08	0.08
As at March 31, 2022	0.05	0.05

**HILLTONE SOFTWARE & GASES LIMITED**  
**Notes to the financial statement as at March 31, 2022**

**NOTE 5 NON CURRENT INVESTMENTS**

Particulars	March 31, 2022	March 31, 2021
<b>A. Investment in Others, at cost:-</b>		
<b>1) Investment in Equity Instrument - Unquoted, fully paid up</b>		
The Mehsana Urban Co Op Bank Ltd	2.29	2.29
<b>TOTAL</b>	<b>2.29</b>	<b>2.29</b>
<b>Particulars</b>		
QUOTED		
UNQUOTED	<b>2.29</b>	<b>2.29</b>

**NOTE 6 OTHER NON-CURRENT FINANCIAL ASSETS**

Particulars	March 31, 2022	March 31, 2021
Security deposits (Deposits with suppliers)	169.54	157.10
Fixed deposits with Banks (maturity more than 12 months)	4.00	5.60
<b>TOTAL</b>	<b>173.54</b>	<b>162.70</b>

**NOTE 7 CURRENT TAX ASSETS**

Particulars	March 31, 2022	March 31, 2021
Advance Income Tax (net of Provisions for taxation)	2.70	0.20
<b>TOTAL</b>	<b>2.70</b>	<b>0.20</b>

**NOTE 8 INVENTORIES**

Particulars	March 31, 2022	March 31, 2021
Stock In Hand	10.98	40.99
<b>TOTAL</b>	<b>10.98</b>	<b>40.99</b>



**HILLTONE SOFTWARE & GASES LIMITED**  
**Notes to the financial statement as at March 31, 2022**

**NOTE 10 CASH AND BANK BALANCES**

Particulars	March 31, 2022	March 31, 2021
<b>Cash and cash Equivalents</b>		
Cash on Hand	2.34	6.39
Balances with Schedule Banks:		
In Current accounts	1.71	2.63
Fixed deposit maturity within 12 months	1.00	-
<b>TOTAL</b>	<b>5.05</b>	<b>9.02</b>

**NOTE 11 OTHER CURRENT ASSETS**

Particulars	March 31, 2022	March 31, 2021
<b>Advances to Vendors</b>		
Others	10.08	16.09
<b>Other Loans and Advances</b>		
Advance to Employees	4.81	2.69
Other Receivables	0.77	0.38
Balance with Revenue Authorities	-	-
<b>TOTAL</b>	<b>15.66</b>	<b>19.16</b>

**NOTE 12 SHARE CAPITAL**

EQUITY SHARE CAPITAL	March 31, 2022		March 31, 2021	
	No. of Shares	Amount in Lakhs	No. of Shares	Amount in Lakhs
<b>Authorised Shares</b>				
Equity Shares of Rs. 10 each	50,00,000	500.00	50,00,000	500.00
<b>TOTAL</b>	<b>50,00,000</b>	<b>500.00</b>	<b>50,00,000</b>	<b>500.00</b>
<b>Issued, Subscribed and Fully Paid-up Shares</b>				
Equity Shares of Rs. 10 each fully paid- up	40,00,300	400.03	40,00,300	400.03
<b>TOTAL</b>	<b>40,00,300</b>	<b>400.03</b>	<b>40,00,300</b>	<b>400.03</b>

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

EQUITY SHARE CAPITAL	March 31, 2022		March 31, 2021	
	No. of Shares	Amount in Lakhs	No. of Shares	Amount in Lakhs
<b>Equity Shares</b>				
At the Beginning of the year	40,00,300	400.03	40,00,300	400.03
Add: Issued During the Year	-	-	-	-
<b>Outstanding at the End of the year</b>	<b>40,00,300</b>	<b>400.03</b>	<b>40,00,300</b>	<b>400.03</b>

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

Particulars	March 31, 2022		March 31, 2021	
	No. of Equity Sh.	% Holding	No. of Equity Sh.	% Holding
NIKET M. SHAH	6,15,500	15.39	6,15,500	15.39
HITAL M. SHAH	6,69,500	16.74	6,68,800	16.72

(b) Details of Promoter Holding

Particulars	March 31, 2022		
	No. of Equity Sh.	% Holding	% Change during the year
NIKET M. SHAH	6,15,500	15.39	-
HITAL M. SHAH	6,69,500	16.74	0.00

**HILLTONE SOFTWARE & GASES LIMITED**  
**Notes to the financial statement as at March 31, 2022**

(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, 2022	March 31, 2021
<b>(a)Capital Reserves*</b>		
Balance as per Last Financial Statements	9.66	9.66
Addition	-	-
Closing Balance	9.66	9.66
<b>(b)Other Reserves**</b>		
Balance as per Last Financial Statements	128.55	128.55
Addition (Deduction)	-	-
Closing Balance	128.55	128.55
<b>(c)Surplus</b>		
Balance as per Last Financial Statements	(106.88)	(119.32)
Net Profit for the year	16.60	12.45
Other comprehensive income	-	-
Net Surplus in the Statement of Profit and Loss	(90.28)	(106.88)
<b>GRAND TOTAL</b>	<b>47.94</b>	<b>31.34</b>

\*Capital Investment Subsidy from State Government

\*\* not available for distribution as dividend

**NOTE 14 BORROWINGS**

Particulars	Non Current Portion		Current Portion	
	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
Loans from Others	18.58	18.06	3.92	12.36
Loans from Bank*	24.99	26.79	47.94	40.57
Loans from Related Parties (Refer Note 31 )	-	-	0.06	0.01
<b>The above amount includes:-</b>				
<i>Secured Borrowings**</i>	28.20	26.79	51.86	52.93
<i>Unsecured Borrowings</i>	15.37	18.06	0.06	0.01
<b>TOTAL</b>	<b>43.57</b>	<b>44.85</b>	<b>51.92</b>	<b>52.94</b>

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

**HILLTONE SOFTWARE & GASES LIMITED**  
**Notes to the financial statement as at March 31, 2022**

SR NO	Particular	March 31, 2022 (including Current Maturity)
<b>I</b>	<b><u>Loans from Others</u></b>	
1	<b>Mahindra &amp; Mahindra Financial Services</b> 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	5.49
2	<b>Bajaj Finserv Limited</b> 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.	17.01
<b>II</b>	<b><u>Loans from Banks</u></b>	
1	<b>The Mehsana Urban Co.Op. Bank Term Loan</b> 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.	30.69
2	<b>AU Small Finance Bank</b> 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	<b>The Mehsana Urban Co.Op. Bank Overdraft Facility</b> The company has availed working Capital facilities of Rs. 45 Lakhs are secured against Stock and Book debt	41.18

**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

**NOTE 15 DEFERRED TAX ASSETS (NET)**

Particulars	March 31, 2022	March 31, 2021
<b>Deferred Tax Asset</b>		
Accelerated depreciation for tax purpose	1.99	1.53
MAT credit entitlement	5.84	3.41
Gross Deferred Tax Assets	7.83	4.94
<b>Deferred Tax Liabilities/(Assets) (Net)</b>	<b>(7.83)</b>	<b>(4.94)</b>

**HILLTONE SOFTWARE & GASES LIMITED**  
**Notes to the financial statement as at March 31, 2022**

**NOTE 16 OTHER NON CURRENT LIABILITIES**

Particulars	March 31, 2022	March 31, 2021
Security Deposits from Vendor	29.19	26.88
<b>Total</b>	<b>29.19</b>	<b>26.88</b>

**NOTE 17 TRADE PAYABLES**

Particulars	March 31, 2022	March 31, 2021
Dues to Related Parties (Refer Note 31 )	0.99	0.24
Dues to MSME vendors	-	14.32
Other Trade Payables	48.46	55.26
<b>TOTAL</b>	<b>49.45</b>	<b>69.81</b>

**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	-	-	-	-	-	-

**Particulars Outstanding for following periods from due date of payment as on 31/03/2021**

	Less than 6 months	1 year	1-2 years	2-3 Years	More than 3 years	Total
(i) MSME	14.32	-	-	-	-	14.32
(ii) Others	55.50	-	-	-	-	55.50
(iii) Disputed dues – MSME	-	-	-	-	-	-
(iv) Disputed dues - Other	-	-	-	-	-	-

**NOTE 18 PROVISIONS**

Particulars	March 31, 2022	March 31, 2021
Statutory dues including Provident Fund & Tax deducted at Source	3.05	3.68
<b>TOTAL</b>	<b>3.05</b>	<b>3.68</b>

## HILLTONE SOFTWARE & GASES LIMITED

Notes to the financial statement as at March 31, 2022

(Amount in Lakhs)

### NOTE 19 REVENUE FROM OPERATIONS

Particulars	<i>For the year ended 31 March, 2022</i>	<i>For the year ended 31 March, 2021</i>
<b>SALE OF GOODS</b>		
Sale of products	643.03	570.98
<b>SALE OF SERVICES</b>		
Other operating revenues	6.77	6.04
<b>TOTAL</b>	<b>649.80</b>	<b>577.02</b>
<b>Sale of Products includes:</b>		
1. Sale of Oxygen & Other Gases	643.03	570.98
<b>Other Operating Income includes:</b>		
1. Cylinder Printing Income	0.05	0.00
2. Cylinder Testing and Maintenance Income	1.01	0.51
3. Cylinder Rent Income	2.05	2.23
4. Cylinder Flashing	0.03	0.03
5. Shed Rent	3.62	3.27
<b>TOTAL</b>	<b>6.77</b>	<b>6.04</b>

### NOTE 20 CHANGE IN INVENTORIES OF FINISHED GOODS

Particulars	<i>For the year ended 31 March, 2022</i>	<i>For the year ended 31 March, 2021</i>
Closing Finished Goods- Traded items	10.98	40.99
Opening Finished Goods- Traded items	40.99	54.46
<b>CHANGE IN INVENTORIES OF FINISHED GOODS</b>	<b>30.01</b>	<b>13.47</b>

### NOTE 21 OTHER INCOME

Particulars	<i>For the year ended 31 March, 2022</i>	<i>For the year ended 31 March, 2019</i>
Interest income:		
Deposits with banks	0.47	0.51
Others	11.32	10.15
Dividend income:		
Shares	0.35	-
Others non operating income	0.77	6.18
<b>TOTAL</b>	<b>12.91</b>	<b>16.85</b>

### NOTE 22 PURCHASES OF STOCK-IN-TRADE

Particulars	<i>For the year ended 31 March, 2022</i>	<i>For the year ended 31 March, 2019</i>
Purchases goods of Stock-in-Trade	422.24	436.36
<b>TOTAL</b>	<b>422.24</b>	<b>436.36</b>

### NOTE 23 EMPLOYEE BENEFITS

Particulars	<i>For the year ended 31 March, 2022</i>	<i>For the year ended 31 March, 2019</i>
Salaries, wages and bonus	58.87	40.17
Director's Remuneration	12.00	12.00
Staff welfare expenses	2.67	0.93
<b>TOTAL</b>	<b>73.54</b>	<b>53.10</b>



## HILLTONE SOFTWARE & GASES LIMITED

Notes to the financial statement as at March 31, 2022

### NOTE 24 FINANCE COST

Particulars	<i>For the year ended 31 March, 2022</i>	<i>For the year ended 31 March, 2019</i>
Interest expense	12.27	14.79
Bank charges	0.05	0.06
<b>TOTAL</b>	<b>12.32</b>	<b>14.85</b>

### NOTE 25 OTHER EXPENSES

Particulars	<i>For the year ended 31 March, 2022</i>	<i>For the year ended 31 March, 2019</i>
Advertisement expenses	0.47	0.11
Bad Debts	1.89	2.01
Cylinder Rent expenses	4.50	3.92
Commission expenses	0.64	0.26
Communication expenses	1.51	0.34
Diesel expenses	15.82	12.00
Electricity expenses	5.61	3.96
Factory Maintenance Expenses	13.00	1.23
Insurance -Others	0.92	0.57
Inward Cartage Exp	20.12	6.84
Kasar A/c	1.15	1.26
Legal and Consultancy Fees	4.45	3.01
Loading and Unloading Exp	6.58	0.84
Loss on sale of Fixed Assets	-	0.53
Other Expenses	7.74	6.58
Payment to Auditors*	1.00	1.00
Printing & Stationery	1.05	0.91
Repair and Maintenance-Others	3.80	4.96
Rent and Taxes	0.97	-
Security Charges	3.38	1.58
Software expenses	0.27	0.21
Transportation Exp.	0.84	3.29
Travelling expenses	0.28	0.15
Vehicle maintenance charges	1.87	-
<b>TOTAL</b>	<b>97.87</b>	<b>55.56</b>
<b>*Details of Payment to Auditors</b>	<b>-</b>	<b>-</b>
-Audit Fees	0.85	0.85
-Taxation matters	0.15	0.15
-Other Services	-	-

**HILLTONE SOFTWARE & GASES LIMITED**  
**Notes to the financial statement as at March 31, 2022**

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

<b>Particulars</b>	<b>March 31, 2022</b>	<b>March 31, 2021</b>
<b>Contingent Liabilities :-</b>		
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.	-	-
<b>TOTAL</b>	-	-

**NOTE 27 COMMITMENTS (to the extent not provided for)**

<b>Particulars</b>	<b>March 31, 2022</b>	<b>March 31, 2021</b>
<b>Commitments :-</b>		
Estimated amount of contracts remaining to be executed on capital account and not provided for	-	-
<b>TOTAL</b>	-	-

**HILLTONE SOFTWARE & GASES LIMITED**  
Notes to the financial statement as at March 31, 2022

**NOTE 31 RELATED PARTY TRANSACTIONS**

(i) List of Related parties and their Relations

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

(ii) Related Party Transactions

Particulars	For the year ended 31 March, 2022	For the year ended 31 March, 2021
<b>Key Management Personnel</b>		
<b><u>A. Loan Repayment</u></b>	<b>1.67</b>	<b>2.14</b>
Niket M Shah	1.67	2.14
Hital M Shah	-	-
<b><u>B. Loan Taken</u></b>	<b>1.72</b>	<b>1.30</b>
Niket M Shah	1.67	1.30
Hital M Shah	0.05	-
<b><u>C. Director's Remuneration</u></b>	<b>12.00</b>	<b>12.00</b>
Niket M Shah	6.00	6.00
Hital M Shah	6.00	6.00
<b>Enterprises having Significant Influence (EHSI)</b>		
<b><u>A. Sales</u></b>		
Shree Vinayak Speciality Gases	-	-
<b><u>B. Purchases</u></b>	<b>2.69</b>	<b>5.14</b>
Dhanlaxmi Distributors	1.44	3.43
Shree Vinayak Speciality Gases	1.25	1.71
United Gases		
<b><u>C. Sales</u></b>	<b>5.76</b>	<b>2.86</b>
Dhanlaxmi Distributors	2.11	0.02
Shree Vinayak Speciality Gases	3.65	2.84
<b>TOTAL</b>	<b>19.43</b>	<b>17.00</b>

(iii) Related Party Balances

Particulars	March 31, 2022	March 31, 2021
<b>Key Management Personnel</b>		
<b><u>A. Trade Payables</u></b>	<b>0.99</b>	<b>0.24</b>
Dhanlaxmi Distributors	-	-
Shree Vinayak Speciality Gases	0.99	0.24
United Gases	-	-
<b><u>B. Trade Receivables</u></b>	<b>1.28</b>	<b>-</b>
Dhanlaxmi Distributors	1.28	-
Shree Vinayak Speciality Gases	-	-
United Gases	-	-
<b><u>C. Loan Taken</u></b>	<b>0.06</b>	<b>0.01</b>
Niket M Shah	-	-
Hital M Shah	0.06	0.01
Parul N Shah	-	-

**HILLTONE SOFTWARE & GASES LIMITED**  
**Notes to the financial statement as at March 31, 2022**

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**NOTE 32 EARNINGS PER SHARE**

<b>Particulars</b>	<b>March 31, 2022</b>	<b>March 31, 2021</b>
(i) Profit Attributable to Shareholders	16.60	12.45
(ii) Weighted avg no. of Equity shares o/s during the Year	40,00,300	40,00,300
Nominal value of Equity shares (INR)	10.00	10.00
Basic and Diluted Earnings per share (i/ii)	0.41	0.31

**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.

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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

<b>NIKET M. SHAH</b>	<b>HITAL M. SHAH</b>
Managing Director	Executive Director
DIN:00278968	DIN:00279026

Place: Santej  
Date: 15/06/2022

<b>ABIRA I.MANSURI</b>	<b>PRAFULLBHAI MAKVANA</b>
Company Secretary	Chief Financial officer
Mem. No:42410	

**HILLTONE SOFTWARE & GASES LIMITED**  
**Notes to the financial statement as at March 31, 2022**

**Note 28: FINANCIAL INSTRUMENTS**

(i) Financial assets and liabilities

	March 31, 2022		March 31, 2021	
	Fair Value	Carryng Value	Fair Value	Carryng Value
<b>Financial Assets</b>				
Amortized Cost:				
Cash and cash equivalents	5.05	5.05	9.02	9.02
Trade Receivable	123.84	123.84	119.90	119.90
Non current financial assets	173.54	173.54	130.41	130.41
Other financial assets	-	-	-	-
<b>TOTAL</b>	<b>302.43</b>	<b>302.43</b>	<b>259.33</b>	<b>259.33</b>
<b>Financial Liabilities</b>				
Amortized Cost:				
Borrowings	95.49	95.49	97.79	97.79
Trade payables	49.45	49.45	69.81	69.81
Other financial liabilities	32.24	32.24	30.57	30.57
<b>TOTAL</b>	<b>177.18</b>	<b>177.18</b>	<b>198.17</b>	<b>198.17</b>

(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, 2022**

**Note 29 TAX EXPENSE**

	March 31, 2022	March 31, 2021
<b>Amount recognised in Statement of profit and loss</b>		
Current tax	2.53	0.42
MAT credit entitlement	(2.43)	-
Deferred tax expense	(0.46)	(0.64)
(Excess)/short income tax	-	-
Tax Components on OCI	-	-
<b>Tax expense for the year</b>	<b>(0.36)</b>	<b>(0.22)</b>
Reconciliation of effective tax rate	-	-
<b>Profit before tax</b>	<b>16.24</b>	<b>12.23</b>
Enacted Incometax rate applicable to the company	0.00	0.00
<b>Expected income tax expense (I)</b>	<b>4.22</b>	<b>3.18</b>
<u>Adjustment to reconcile expected incometax expense to reported income tax expense:</u>		
Effect of Tax Components on Permatat 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	(4.58)	(3.40)
Aggregate tax adjustments (II)	(4.58)	(3.18)
<b>Total tax expense (I)+(II)</b>	<b>(0.36)</b>	<b>(0.22)</b>
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

For the year ended	Opening balance	Recognised in profit or loss	Recognised in OCI	Closing balance
<b>March 31, 2021</b>				
Deferred tax asset				
MAT credit entitlement	3.41	2.43	-	5.84
	1.53	0.46	-	1.99
Others				-
<b>Gross deferred tax assets</b>	<b>4.94</b>	<b>2.89</b>	<b>-</b>	<b>7.83</b>
<b>Deferred tax liability</b>				
Property, plant and equipment and intangible assets	-	-	-	-
Others	-	-	-	-
Gross deferred tax liability	-	-	-	-
<b>Deferred tax asset / (liabilities), net</b>	<b>4.94</b>	<b>2.89</b>	<b>-</b>	<b>7.83</b>

**HILLTONE SOFTWARE & GASES LIMITED**  
Notes to the financial statement as at March 31, 2022

**NOTE 34: STATEMENT OF CHANGES IN EQUITY**

(Amount in Lakhs)

A	EQUITY SHARE CAPITAL (Refer note 14)	Year Ended March 31, 2022	Year Ended March 31, 2021
	Balance at the beginning of the year	400.03	400.03
	Changes during the year		
	<b>Balance at the end of the year</b>	<b>400.03</b>	<b>400.03</b>

**B OTHER EQUITY**

Particular	Reserves and Surplus			
	Capital Reserves	Other Reserves	Surplus	Total
<b>Balance as at 1st April, 2020</b>	<b>9.66</b>	<b>128.55</b>	<b>(119.32)</b>	<b>18.89</b>
Profit for the Year	-	-	12.45	12.45
Provided during the year	-	-	-	-
Deduction	-	-	-	-
Transfer to/(from) Surplus	-	-	-	-
Other comprehensive income	-	-	-	-
<b>Balance as at 1st April, 2021</b>	<b>9.66</b>	<b>128.55</b>	<b>(106.88)</b>	<b>31.34</b>
Profit for the Year	-	-	16.60	16.60
Provided during the year	-	-	-	-
Deduction	-	-	-	-
Transfer to/(from) Surplus	-	-	-	-
Other comprehensive income	-	-	-	-
<b>Balance as at 31st March, 2022</b>	<b>9.66</b>	<b>128.55</b>	<b>(90.28)</b>	<b>47.94</b>

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: 15/06/2022

**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

## HILLTONE SOFTWARE & GASES LIMITED

### SIGNIFICANT RATIO ANALYSIS

Particulars	As At March 31, 2022	As At March 31, 2021	Variance
(a) Current Ratio,	1.52	1.50	1%
(b) Debt-Equity Ratio	0.10	0.10	-6%
(c) Debt Service Coverage Ratio	2.16	2.45	-12%
(d) Return on Equity Ratio	0.04	0.03	28%
(e) Inventory turnover ratio	17.40	11.65	49%
(f) Trade Receivables turnover ratio	5.33	5.90	-10%
(g) Trade payables turnover ratio	7.08	8.37	-15%
(h) Net capital turnover ratio	1.45	1.34	8%
(i) Net profit ratio	0.03	0.02	18%
(j) Return on Capital employed	0.08	0.07	7%

#### Reason for Variation more than 25%

Return on Equity Ratio,  
Inventory turnover ratio,

Company has achieved Profit after tax of 253% more as compared to previous year.  
Company has maintained more inventory as compared to previous year.

#### Basis for Calculation of Ratios

Current ratio  
Debt-equity ratio  
Debt service coverage ratio  
  
Return on equity ratio  
Inventory turnover ratio  
Trade receivable turnover ratio  
Trade payable turnover ratio  
Net capital turnover ratio  
Net profit ratio  
Return on capital employed

Current Assets ÷ Current Liabilities  
Borrowing ÷ Total Equity  
EBITDA ÷ [Finance Cost + Principal Repayments made during the period for non-current borrowings (including current Maturities)]  
Net Earnings / Shareholders' Equity  
Cost of goods sold ÷ Average Inventories  
Revenue from operations ÷ Average Trade Receivables  
Cost of Purchase ÷ Average accounts payable  
Total Sales ÷ Total Equity  
Net Profit after Tax ÷ Revenue from operations  
EBITDA ÷ Capital employed i.e. Shareholders equity plus non current liabilities