

22nd
Annual Report
2014-2015

HILLTONE SOFTWARE & GASES LTD

HILLTONE SOFTWARE & GASES LIMITED

CIN: U72200GJ1993PLC020620

ANNUAL REPORT 2014-15

BOARD OF DIRECTORS

Niket Shah	Managing Director
Hital Shah	Whole-time Director
Narendra Shah	Director
Dinesh Shah	Director
Parulben Shah	Women-Director

AUDITORS

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

COMPANY SECRETARY (CONSULTING)

D.A. Rupawala

BANKERS

The 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-second Annual General Meeting of the Shareholders of the Company will be held on Wednesday, 30th September, 2015 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 2015 & Profit and Loss Account for the year ended on 31st March, 2015 and the Reports of the directors, Auditors thereon.
2. 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 (Firm Registration No.109685W), 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

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

“**RESOLVED THAT** Mrs. Parulben N. Shah (DIN: 07126594), who was appointed as an Additional Women Director on the Board of the Company pursuant to the provisions of section 149, 150, 152,161 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and as per Article of Association of the Company and who holds office up to the date of this Annual General Meeting, and in respect of whom a notice has been received from a Member in writing, under Section 160 of companies act, 2013 proposing her candidature for the office of a Director, be and is hereby appointed as a director of the company.”

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

"RESOLVED that pursuant to the provisions of section 203 of the Companies Act, 2013 read with Rule 8 of Companies (Appointment and Remuneration of Managerial personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and other applicable provision if any, Mr. Anil Shobha ram kumar, be and is hereby appointed as Chief Financial officer of the Company with the effect from 30th December, 2014 for the period of 2 years who holds office up to the date of this Annual General Meeting, and in respect of whom a notice has been received from a Member in writing, proposing his candidature for the office as Chief Financial Officer of the company upon such terms and conditions as agreed between Board of directors and Mr. Anil Shobha ram kumar."

For, HILLTONE SOFTWARE & GASES LIMITED

Place: Mehsana
Date: 01/09/2015

Niket M Shah
Chairman & Mg. Director

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

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. Corporate members intending to send their authorized representatives are requested to send a duly certified copy of the board resolution authorizing their representatives to attend and vote at the Annual General Meeting.
4. Member / Proxies attending the meeting should bring their copy of the Annual Report for reference at the meeting.
5. The Register of Members and the share transfer books of the Company will remain closed from 24th September, 2015 to 30th September, 2015 (both days inclusive).
6. The Shareholders are requested to communicate all their correspondence including share transfers at Registered Office: MCS Ltd., Shatdal Complex, Ashram Road, Ahmedabad.
7. Members are requested to notify immediately any change in their address to the Company quoting their folio number.
8. Members who have not registered their e-mail addresses so far are requested to register their e-mail address for receiving all communication including Annual Report, Notices, Circulars, etc. from the Company electronically.
9. The explanatory statement u/s 102 of the Companies Act, 2013 is enclosed.

10. As per the requirement of clause 49 of the listing agreement on Corporate Governance, details including the profile of Directors seeking appointment or re-appointment due to retirement by rotation, of Directors being appointed as Independent Directors and person appointed as Chief Financial Officer who is being re-appointed, are given below:

Name of the Director	PARULBEN N. SHAH	ANIL SHOBHA RAM KUMAR
Date of Birth	27/09/1973	05/07/1967
Date of Appointment	25/03/2015	25/03/2015
Expertise in specific functional areas	Strategy and General Corporate management	Technical Department, Finance, Taxation.
Qualifications	B.A. and Home science	Diploma Mechanical
List of outside Directorship held	NIL	NIL
Chairman/member of the committee of the Board of Directors of the Company*	NIL	NIL
Chairman/member of the committee of the Board of Directors of other Companies in which he is a director*	NIL	NIL
Shareholding in the company	NIL	NIL
Relationships, if any, between directors	Wife of Managing-Director	Nil

11. All documents referred to in the accompanying notice are open for inspection at the registered office of the Company on all working days, except Saturdays, between 11.00 am to 1.00 pm prior to the date of Annual General Meeting.
12. Securities and Exchange Board of India (“SEBI”) has made it mandatory to quote Permanent Account Number (PAN) for transfer/ transmission of shares in physical form and hence, the transferee(s)/ legal heir(s) is required to furnish a copy of his/her PAN to the Share Transfer Agent.
13. Pursuant to Section 72 of the Companies Act, 2013, shareholders holding shares in physical form may file nomination in the prescribed Form SH-13 with the Company’s Share Transfer Agent. In respect of shares held in electronic/demat form, the nomination form may be filed with the respective Depository Participant.

EXPLANATORY STATEMENT

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

Item No. 4

Mrs. Parulben N. Shah was appointed as an Additional Women Director by the Board of Director in accordance with the provisions of Section 122 of the Companies Act, 2013 and as per Article of Association of the Company.

Pursuant to Section 160 of companies act, 2013 the above director holds office up to the date of the ensuing Annual General Meeting. In this regard the Company has received request in writing from a member of the company proposing her candidature for appointment as Director of the Company in accordance with the provisions of Section 160 and all other applicable provisions of the Companies Act, 2013.

The statement giving the details of Mrs. Parulben N. Shah, Women Director seeking the appointment is annexed in the notes of the notice convening Annual General Meeting as required in pursuant clause 49 of the Listing Agreement entered into with the stock exchanges.

The Board feels that presence of Mrs. Parulben N. Shah on the Board is desirable and would be beneficial to the company and hence recommend resolution No. 4 for adoption.

None of the Directors except Mrs. Parulben N. Shah and Mr. Niket Shah are concerned or interested in passing of this resolution. This Explanatory Statement may also be regarded as a disclosure under Clause 49 of the Listing Agreement with the Stock exchange.

Item No. 5

Mr. ANIL SHOBHA RAM KUMAR was appointed as Chief Financial officer by the Board of Director in accordance with the provisions of Section 203 of the Companies Act, 2013 and as per Article of Association of the Company.

In this regard the Company has received request in writing from a member of the company proposing his candidature for appointment as Chief Financial Officer of the Company in accordance with the provisions of Section 203 and all other applicable provisions of the Companies Act, 2013.

The statement giving the details of Mr. ANIL SHOBHA RAM KUMAR seeking the appointment as Chief Financial Officer annexed in the notes of the notice convening Annual General Meeting.

The Board feels that presence of Mr. ANIL SHOBHA RAM KUMAR on the Board is desirable and would be beneficial to the company and hence recommend resolution No. 5 for adoption.

None of the Directors except Mr. ANIL SHOBHA RAM KUMAR are concerned or interested in passing of this resolution. This Explanatory Statement may also be regarded as a disclosure under Clause 49 of the Listing Agreement with the Stock exchange.

For, HILLTONE SOFTWARE & GASES LIMITED

Place: Mehsana
Date: 01/09/2015

Niket M Shah
Chairman & Mg. Director

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

BOARD REPORT

To

The Members,

HILLTONE SOFTWARE AND GASES LIMITED

Your Directors have pleasure in submitting their Twenty-Second Annual Report of the Company together with the Audited Statements of Accounts for the year ended 31st March, 2015.

FINANCIAL RESULTS

The Company's financial performance for the year under review alongwith previous year's figures are given hereunder:

	(Rs. In Lacs)	
	<u>2014- 2015</u>	<u>2013- 2014</u>
Total Income including other income	26,249,068	22,051,921
Profit before financial cost, depreciation and taxation	1,378,090	2,389,950
Less: Financial Cost	308,637	278,101
Less : Depreciation	583,026	1,152,079
Less: Provision of taxation	-	-
Current Tax (Net)	-	-
Deferred Tax	4,86,427	959,770
Profit after depreciation & taxation	(18,897,122)	(19,856,892)
Add : Opening Balance in P & L A/c	-	-
Transfer to general reserve	(18,410,695)	(18,897,122)
Surplus carried Forward		

REVIEW OF BUSINESS OPERATIONS AND FUTURE PROSPECTS

The Company was able to achieve Sales including other income of Rs. 262.49Lacs as compared to Rs. 220.52Lacs for the Previous Year. The Profit before Tax and Depreciation was Rs. 137.81Lacs for period under review as compared to Rs. 239.00Lacs for the Previous Year.

The Net Profit after making the provision for Depreciation and Taxation stood at Rs. 4.86Lacs as against Rs. 9.60Lacs for 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.

During the year company has incurred total Capital Expenditure of Rs. 3,309,495/-.

CORPORATE SOCIAL RESPONSIBILITY

The Company has not developed and implemented the following Corporate Social Responsibility initiatives as the said provisions are not applicable.

DIVIDEND

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

TRANSFER OF UNCLAIMED DIVIDEND TO INVESTOR EDUCATION AND PROTECTION FUND

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

CAPITAL EXPENDITURE

Capital Expenditure incurred during the year aggregated to Rs. 3,309,495/-.

FIXED DEPOSIT

The company has not invited, accepted or renewed any fixed deposit from the public during the year.

No amount on account of principal or interest on fixed deposit was outstanding as on the date of Balance sheet. However the company has accepted deposit from Directors, Shareholders and relatives pursuant to Rule 2(1)(c)(xiii) of the Companies (Acceptance of Deposits) Rules, 2014.

MANAGEMENT DISCUSSION AND ANALYSIS

In terms of Clause 49 of the Listing Agreements with Stock Exchange, Management discussion and analysis on the business and operations of the company is attached herewith and forms part of this Annual Report.

CORPORATE GOVERNANCE

As a measure of good corporate practice, the board of the director of the Company appointed M/s. NAHIDAKHTAR VHORA & CO, practicing company secretary to conduct Secretarial Audit. The Secretarial Audit Report for the financial year end 31.03.2015 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.

DIRECTORS RESPONSIBILITY STATEMENT

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

- a. in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- b. the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit and loss of the company for that period;
- c. the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;

- d. the directors had prepared the annual accounts on a going concern basis; and
- e. the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

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

A statement giving details of conservation of energy, technology absorption, foreign exchange earnings and out-go, in accordance with the Companies (Disclosure of particulars in the Report of Board of Directors) Rules, 1988 is given in Annexure ' A ' to this Report.

DIRECTORS

The Directors are not liable to retire by rotation.

Mrs.Parulben N. Shah (DIN: 07165856) was appointed as director of our Company as Women Director pursuant to the provisions of section 149, 150, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement.

As required under Clause 49 of the Listing Agreements with the Stock Exchange, the details of the Directors, seeking re-appointment at ensuring Annual General Meeting are provided in the corporate Governance Report, forming part of this Report.

A brief resume of the all the Directors proposed to be appointed / re-appointed, nature of their expertise in specific functional areas, names of companies in which they hold directorships and memberships / chairmanships of Board Committees, shareholding and relationships between directors inter-se as stipulated under Clause 49 of the Listing Agreement, are provided in the Notes to the Notice of the Annual General Meeting.

PERFORMANCE EVALUATION OF THE BOARD

Pursuant to the provisions of the Companies Act, 2013 and Clause 49 of the Listing Agreement, the Company has devised a policy containing criteria for evaluating the performance of the Independent, Non- executive and Executive Directors, Board and Committees.

REMUNERATION AND NOMINATION POLICY

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

AUDITORS AND AUDITOR'S REPORT:

Your Company's Auditors, M/s BPA & COMPANY, Chartered Accountants, Ahmedabad will retire at the conclusion of the forthcoming Annual General Meeting and they have consented to be re-appointed for the financial year 2015-16. The Company has received a letter from M/s BPA & COMPANY, stating that their appointment as auditors, if made, would be within the limits specified under Rule 4(1) of the Companies (Audit and Auditors) Rules, 2014 and as provided in section 141 of Companies Act 2013.

SECRETARIAL AUDIT

Pursuant to provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the company had appointed M/s. NAHIDAKHTAR VHORA & CO. Company Secretaries in practice having CP No. 13187 to conduct the Secretarial Audit of the Company for the financial year 2014-15 and to furnish his report to the Board. The Secretarial Audit forms part of this Report as annexure - C

COST AUDITORS

The section 148 read with Companies (Audit & Auditors) Rules, 2014 and other applicable provisions, if any, of the Companies Act, 2013 are not applicable to the Company Hence, the Board of Directors of your company had not been appointed Cost Auditor for obtaining Cost Compliance Report of the company for the financial year 2014-15.

EXPLANATION ON QUALIFICATIONS, RESERVATIONS OR ADVERSE REMARKS MADE BY THE AUDITORS

There were no qualifications, reservations or adverse remarks made by the Auditors and the practicing company secretary in their report.

RELATED PARTY TRANSACTIONS

All related party transactions that were entered into by the Company during the financial year were in the ordinary course of business and on arms' length basis. There is no materially significant related party transactions entered into by the Company with its Promoters, Directors, Key Managerial Personnel or other designated persons, which may have a potential conflict with the interest of the Company at large.

The Company does not have contracts or arrangements with its related parties under Section 188(1) of the Companies Act, 2013, which are not on arms' length basis or material in nature.

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

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

PARTICULARS OF EMPLOYEES:

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

RISK MANAGEMENT

The Company has in place a mechanism to inform the Board about the risk assessment and minimization procedure and review to ensure that risk is controlled. In the Board's view, there are no material risks.

ADEQUACY OF INTERNAL FINANCIAL CONTROLS

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

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

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

NUMBER OF BOARD MEETINGS CONDUCTED DURING THE YEAR UNDER REVIEW

Six Board Meetings were held during the 12 months accounting period ended 31-3-2015. The dates of such Board Meeting are:

- | | | |
|---------------|---------------|---------------|
| 1) 30.05.2014 | 2) 14.08.2014 | 3) 25.08.2014 |
| 4) 15.11.2014 | 5) 15.02.2015 | 6) 25.03.2015 |

DECLARATION OF INDEPENDENT DIRECTORS

The Company has received declarations from all the independent Directors of the Company conforming that they meet the criteria of independence as prescribed under section 149(6) of Companies Act, 2013 and revised clause 49 of the Listing Agreements with Stock Exchange.

HUMAN RESOURCE

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

STOCK EXCHANGES

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.

ANNUAL RETURN

The extracts of Annual Return pursuant to the provisions of Section 92 read with Rule 12 of the Companies (Management and administration) Rules, 2014 is furnished in Annexure MGT-9 and is attached to this Report.

SUBSIDIARIES, JOINT VENTURES AND ASSOCIATE COMPANIES

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

DISCLOSURE OF COMPOSITION OF AUDIT COMMITTEE AND PROVIDING VIGIL MECHANISM

The provisions of Section 177 of the Companies Act, 2013 read with Rule 6 and 7 of the Companies (Meetings of the Board and its Powers) Rules, 2013 applicable to the Company Hence, disclosure regarding composition of audit committee is provided in the Corporate governance report.

SHARES

The company has not issued any equity shares/buy back of equity shares during the year.

ACKNOWLEDGEMENTS

Your Directors place on record their sincere thanks to bankers, business associates, consultants, and various Government Authorities for their continued support extended to your Companies activities during the year under review. They also record their appreciation of the devoted services rendered by the Executives, Staff Members and Workers of the Company. Your Directors also acknowledges gratefully the shareholders for their support and confidence reposed on your Company.

On behalf of the Board of Directors

Date:01/09/2015
Place: Ahmedabad

Niket M Shah
(Managing Director)

ANNEXURE 'A'

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 out by the Company. 2. Benefits derived as a above R &D. 3. Future plan of action. 4. Expenditure on R &	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	R&D carried result of the D.
Technology absorption, innovation: 1. Efforts, in brief, made absorption, adaptation 2. Benefits derived as a efforts. 3. In case of imported (a) Technology (b) Year of import	The technology has been developed has fully absorbed the production indigenously and the Company has technology. The Company has not sued any imported technology.	adaptation and towards technology and innovation. result of the above technology: imported

(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.

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 thereby protecting rights and interest of all its shareholders.

BOARD OF DIRECTORS

A. The constitution of the Board as on 31.03.2015

Sr. no.	Name of Directors	Category	Category Executive Non-executive
1	Shri Niket M Shah	Chairman & Managing Director	Executive
2	Shri Hital M Shah	Whole-time Director	Executive
3	Shri Narendra Shah	Director	Independent
4	Shri Dinesh B Shah	Director	Independent
5	Smt. Parulben N. Shah	Women 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	6	YES
2	Shri Hital M Shah	6	YES
3	Shri Narendra Shah	5	YES
4	Shri Dinesh B Shah	5	YES
5	Smt. Parulben N. Shah	1	NO

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

6 Board Meetings were held during the 12 months accounting year ended 31.03.2015. The dates of such Board Meeting are 30th May, 2014, 14th August, 2014, 25th August, 2014, 15th November, 2014, 15th February, 2014, 25th March, 2015.

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 four Meetings during the year ended 31.03.15
Attendance during the accounting year ended 31.03.15 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 Meetings for the year ended 31.03.15

Attendance during the accounting year ended 31.03.15 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 31.03.15

Name of Director	Sitting Fees	Salary & Perks	Total Rs.
Shri Niket M Shah	---	6,00,000	6,00,000
Shri Hital M Shah	---	6,00,000	6,00,000
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
2013-2014	AGM	B/4, K.B. Complex, Dairy Road, Mehsana, (North Gujarat) - 384002	30.09.2014 11.30 A.M.
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.

(b) **Whether the special resolutions were put through last year, hence last year, details of 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 of 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, 2015 11:30 A.M.
Venue : B/4, K.B. Complex, Dairy Road,
Mehsana (North Gujarat) – 384002

(B) Financial calendar

- Financial year for 2015-2016
- Results will be announced on
 - Quarter ending June 2015 July 2015
 - Quarter ending September 2015 October 2015
 - Quarter ending December 2015 January 2016
 - Quarter ending March 2016 April 2016
 - Annual General Meeting 2015-16 September 2016

(C) Book Closure Dates: Thursday, 24th September, 2014 to
Wednesday, 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.** Code No. -----

7, Lyons Range,
Calcutta – 700 001
(3)The Stock Exchange – Delhi
3&4, 4/B, Asaf Ali Road,
New Delhi – 110 002

Code No. ----

Demat:-

ISIN No for Equity Shares: - INE168C01013

The company has not paid annual listing fees for the above Stock Exchanges for the year 2014-15.

STOCK MARKET DATA

The Shares are not traded during the financial year 2014-15. 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 send for transferring in physical form are register 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 return within two weeks.

Distribution of Shareholding as on 31st March 2015

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, 2015

Description	No. of Shares held	percentage
Promoters	11, 66,000	29.17%
Mutual Funds	--	--
Private Corporate Bodies	2,16,400	5.41%
NRI Holdings	--	--
Indian Public	26, 17,100	65.42%
TOTAL	40, 00,300	100.00%

DEMATERIALIZATION OF SHARE AND LIQUIDITY

1.89% of equity capital is held in dematerialized form with NSDL & CDSL as on 31.03.15. 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. Anil Shobha ram kumar, Chief Financial Officer has furnished the certificate as per therequirement of clause 49(v) of the Listing Agreement.

COMPLIANCE CERTIFICATE OF THE AUDITORS

The Company has not obtained a Certificate from the Statutory Auditors confirming compliance of Conditions of the Code of Corporate Governance as stipulated in Clause 49 because the clause 49 is not applicable to the company.

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 :01/09/2015

Niket M Shah
Chairman & Mg. Director

CFO Certification

The Board of Directors
Hilltone Software & Gases Limited
Mehsana

Re: Financial Statements for the year 2014-15 - Certification by CFO

I Anil Shobha ram kumar, Chief Financial Officer 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, 2015 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, 2015 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.

ANIL SHOBHA RAM KUMAR
Chief Financial Officer

Place: Mehshana
Date: 01/09/2015

Form No. MGT-9
EXTRACT OF ANNUAL RETURN
As on the financial year ended on 31.03.2015

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS

i.	CIN	:	U72200GJ1993PLC020620
ii.	Registration Date	:	08/11/1993
iii.	Name of the Company	:	HILLTONE SOFTWARE AND GASES LIMITED
iv.	Category / Sub Category of the company	:	Company Limited by shares/ NON Government Company
v.	Address of Registered Office and contact details	:	B/4, K B COMPLEX, DAIRY ROAD, MEHSANA-384002
vi.	Whether listed company YES / NO	:	NO
vii.	Name, Address and Contact Details of Registrar & Transfer Agent, if any	:	MCS Shares Transfer Agent Shatdal Complex, Ashram Road, Ahmedabad-380 006.

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10% or more of the total turnover of the company shall be stated:-

Sr. No	Name and Description of main products / services	NIC Code of the products / services	% to total turnover of the company
1	Manufacture of industrial gases (includes manufacture of elemental gases, liquid or compressed air, acetylene refrigerant gases and mixed industrial gases etc.)	24111	100%

III PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:

Sr. No	Name and Address of the company	CIN/GLN	Holding / Subsidiary / Associate	% of Shares Held	Applicable Section
-	-	-	-	-	-

IV. SHARE HOLDING PATTERN (Equity Share capital breakup as percentage of total equity)

i. Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year (AS on April 1, 2014)				No. of Shares held at the end of the year (AS on March 31, 2015)				% Change during the year
	Demat	Physical	Total	% OF Total Shares	Demat	Physical	Total	% Of Total Shares	
A. Promoters									
1) Indian									
a. Individual / HUF	-	17044	17044	42.61	-	17044	17044	42.61	-

			00	00			00	00		
	b. Central Govt.	-	-	-	-	-	-	-	-	-
	c. State Govt.(s)	-	-	-	-	-	-	-	-	-
	d. Bodies Corporate	-	-	-	-	-	-	-	-	-
	e. Bank/FI	-	-	-	-	-	-	-	-	-
	f. Any other	-	-	-	-	-	-	-	-	-
	Subtotal (A)(1):	-	17044 00	17044 00	42.61	-	17044 00	17044 00	42.61	-

Category of Shareholders	No. of Shares held at the beginning of the year (AS on April 1, 2014)					No. of Shares held at the beginning of the year (AS on March 31, 2015)					% Change during the year
2) Foreign											
	a. NRI Individuals	-	-	-	-	-	-	-	-	-	
	b. Other Individuals	-	-	-	-	-	-	-	-	-	
	c. Bodies Corporate	-	-	-	-	-	-	-	-	-	
	d. Bank/FI	-	-	-	-	-	-	-	-	-	
	e. Any other	-	-	-	-	-	-	-	-	-	
	Subtotal (A)(2):	-	-	-	-	-	-	-	-	-	
	Total shareholding of Promoter (A) = (A)(1) + (A)(2)	-	17044 00	17044 00	42.61	-	17044 00	17044 00	42.61	-	

B. Public Shareholding

1) Institutions										
	a. Mutual Funds/UTI	-	-	-	-	-	-	-	-	-
	b. Banks/FI	-	-	-	-	-	-	-	-	-
	c. Central Govt.	-	-	-	-	-	-	-	-	-
	d. State Govt.(s)	-	-	-	-	-	-	-	-	-
	e. Venture Capital Funds	-	-	-	-	-	-	-	-	-
	f. Insurance Companies	-	-	-	-	-	-	-	-	-
	g. FIs	-	-	-	-	-	-	-	-	-
	h. Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
	i. Others (specify)	-	-	-	-	-	-	-	-	-
	Subtotal (B)(1):	-	-	-	-	-	-	-	-	-
2) Non-Institutions										
	a. Bodies Corporate	-	21640 0	21640 0	5.41	-	21640 0	21640 0	5.41	-
	i. Indian	-	-	-	-	-	-	-	-	-
	ii. Overseas	-	-	-	-	-	-	-	-	-
	b. Individuals	-	-	-	-	-	-	-	-	-
	i. Individual shareholder holding nominal share capital upto `1 Lakh	-	20795 00	20795 00	51.98	-	20795 00	20795 00	51.98	-
	ii. Individual shareholder holding nominal share capital in excess of `1 Lakh	-	-	-	-	-	-	-	-	-
	c. Others (specify)	-	-	-	-	-	-	-	-	-
	Subtotal (B)(2):	-	22959	22959	57.39	-	22959	22959	57.39	-

		00	00			00	00		
Total Public shareholding (B) = (B)(1) + (B)(2)	-	2295900	2295900	57.39	-	2295900	2295900	57.39	-
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	-	4000300	4000300	100.00	-	4000300	4000300	100.00	-

ii. Shareholding of Promoter

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of Share Held	% of total shares of the company	% of shares / pledged / encumbered to total shares	No. of Share Held	% of total shares of the company	% of shares / pledged / encumbered to total shares	
1	Niket M Shah	471,900	11.80	-	471,900	11.80	-	-
2	Hital M Shah	387,700	9.69	-	387,700	9.69	-	-
3	Mahendra B Shah	307,200	7.68	-	307,200	7.68	-	-
4	Shital Jhaveri	89,600	2.24	-	89,600	2.24	-	-
5	Annal Jhaveri	89,600	2.24	-	89,600	2.24	-	-
6	Harsha Jhaveri	89,600	2.24	-	89,600	2.24	-	-
7	Jyoti Shah	89,600	2.24	-	89,600	2.24	-	-
8	Falguni Shah	89,600	2.24	-	89,600	2.24	-	-
9	Bela Kayastha	89,600	2.24	-	89,600	2.24	-	-
Total		1704400	42.61	-	1704400	42.61	-	-

iii. Change in Promoters' Shareholding (please specify, if there is no change)

Sr. No.	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Share	% of total share of the company	No. of Share	% of total share of the company
		-	-	-	-

iv. Shareholding Pattern of top ten shareholders

(Other than Directors, Promoters and Holders of GDRs and ADRs)

Sr. No.	For each of the top 10 shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Share	% of total share of the company	No. of Share	% of total share of the company
-	-	-	-	-	-

v. Shareholding of Directors and Key Management Personnel

Sr. No	Shareholding of each Directors and each Key Management Personnel	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Share	% of total share of the company	No. of Share	% of total share of the company
1.	NIKET MAHENDRA SHAH At the end of the year Date wise increase/decrease in shareholding during the year specifying the reasons for increase/decrease (e.g. allotment / transfer / bonus / sweet equity etc.)	471900	11.80	471900	11.80
2.	NARENDRA BHOGILAL SHAH At the end of the year Date wise increase/decrease in shareholding during the year specifying the reasons for increase/decrease (e.g. allotment / transfer / bonus / sweet equity etc.)	471900	11.80	471900	11.80
3.	HITAL MAHENDRA SHAH At the end of the year Date wise increase/decrease in shareholding during the year specifying the reasons for increase/decrease (e.g. allotment / transfer / bonus / sweet equity etc.)	387700	9.69	387700	9.69
4.	DINESH BHOGILAL SHAH At the end of the year Date wise increase/decrease in shareholding during the year specifying the reasons for increase/decrease (e.g. allotment / transfer / bonus / sweet equity etc.)	387700	9.69	387700	9.69
5.	PARULBEN NIKETKUMAR SHAH At the beginning of the year Date wise increase/decrease in shareholding during the year specifying the reasons for increase/decrease (e.g. allotment / transfer / bonus / sweet equity etc.)	-	-	-	-

At the end of the year

V. INDEBTEDNESS

Indebtedness of the company including interest outstanding / accrued but not due for payment

Particulars	Secured Loans	Unsecur ed Loans	Deposit s	(` in Lacs)
				Total Indebted ness
Indebtedness at the beginning of the financial year				
i. Principal Amount	28.42	3.57	-	31.99
ii. Interest due but not paid	-	-	-	-
iii. Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	28.42	3.57	-	31.99
Change in indebtedness during the financial year				
Addition	9.64	10.28	-	19.92
Reduction	-	-	-	-
Net Change	9.64	10.28	-	19.92
Indebtedness at the end of the financial year				
i. Principal Amount	38.06	13.85	-	51.91
ii. Interest due but not paid	-	-	-	0
iii. Interest accrued but not due	-	-	-	0
Total (i+ii+iii)	38.06	13.85	-	51.91

VI REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole Time Director and / or Manager

Sr. No	Particulars of Remuneration	Name of MD/WTD/Manager	(` in Lacs)
			Total Amount
.			

	Mr. NIKET MAHENDR A SHAH MD	Mr. HITAL MAHENDRA SHAH WTD		
1. Gross Salary				-
a. Salary as per provisions contained in section 17(1) of the Income tax Act, 1961	6.00	6.00	-	-
b. Value of Perquisites u/s 17(2) of the Income tax Act, 1961	-	-	-	-
c. Profits in lieu of salary u/s 17(3) of the Income tax Act, 1961	-	-	-	-
2. Stock Option	-	-	-	-
3. Sweat Equity	-	-	-	-
4. Commission				
- As % of profit	-	-	-	-
- Others, specify	-	-	-	-
5. Others. Please specify	-	-	-	-
Total (A)	6.00	6.00	-	-

B. Remuneration to other Directors

Sr. No	Particulars of Remuneration	Name of Directors			(` in Lacs)	
		Mr. NARENDRA BHOGILAL SHAH	Mr. DINESH BHOGILAL SHAH	Mr. PARULBEEN NIKETKUMAR SHAH		Total Amount
1. Independent Directors						
Fees for attending board / committee meetings	-	-	-	-	-	-
Commission	-	-	-	-	-	-
Others, please specify	-	-	-	-	-	-
Total (1)	-	-	-	-	-	-
2. Other Non-Executive Directors						
Fees for attending board / committee meetings	-	-	-	-	-	-
Commission	-	-	-	-	-	-
Others, please specify	-	-	-	-	-	-
Total (2)	-	-	-	-	-	-
Total B = (1+2)	-	-	-	-	-	-

C. Remuneration to Key Management Personnel other than MD, WTD/Manager

Sr. No	Particulars of Remuneration	Key Management Personnel	(` in Lacs)	
				Total Amount
		Mr. ANIL SHOBHA RAM		

1. Gross Salary					
a. Salary as per provisions contained in section 17(1) of the Income tax Act, 1961	1.44	-	-	-	-
b. Value of Perquisites u/s 17(2) of the Income tax Act, 1961	-	-	-	-	-
c. Profits in lieu of salary u/s 17(3) of the Income tax Act, 1961	-	-	-	-	-
2. Stock Option	-	-	-	-	-
3. Sweat Equity	-	-	-	-	-
4. Commission					
- As % of profit	-	-	-	-	-
- Others, specify	-	-	-	-	-
5. Others. Please specify	-	-	-	-	-
Total (A)	1.44	-	-	-	-

VI PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES:

I.

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

INDEPENDENT AUDITOR'S 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 **31/03/2015**, the Statement of Profit and Loss, **the cash flow statement** for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit.

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

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform

the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at **31/03/2015**, and its **Profit and it's cash flows** for the year ended on that date.

Report on Other Legal and Regulatory Requirements

As required by the Companies (Auditors' Report) Order,2015("the Order") issued by the Central Government of India in terms of sub section (11) of section 143 of the Companies Act, 2013. We give in the Annexure A statements on the matters specified in paragraphs 3 and 4 of the order, to the extent applicable.

As required by Section 143 (3) of the Act, we report that:

- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the 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 cash flow statement dealt with by this Report are in agreement with the books of account.
- (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- (e) On the basis of the written representations received from the directors as on **31/03/2015** taken on record by the Board of Directors, none of the directors is disqualified as **31/03/2015** from being appointed as a director in terms of Section 164 (2) of the Act.
- (f) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company does not have any pending litigations on its financial position.
 - ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.
 - iii. There has been no delay in transferring amounts, if any, required to be transferred, to the Investor Education and Protection Fund by the Company.

Date : 31/05/2015
Place : Ahmedabad

FOR BPA & COMPANY
(Chartered Accountants)
Reg No. :109685W

CA. PRAKASH PATEL
Partner
M.No. : 030575

**Note 1
Share capital**

(Amount in Rs.)

Share Capital	2014-15	2013-14
	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	2014-15		2013-14	
	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	2014-15		2013-14	
	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 - Nil Shares for Rs. Nil. (Previous Year Rs. Nil .)

Note 2

Reserves and surplus

(Amount in Rs.)

	2014-15	2013-14
a. Other Reserves		
Capital Investment Subsidy from State Govt.	966,342	966,342
	966,342	966,342
b. Surplus		
Opening balance	(18,897,122)	(19,856,892)
(+) Net Profit/(Net Loss) For the current year	486,427	959,770
(+) Transfer from Reserves	-	-
(-) Proposed Dividends	-	-
(-) Interim Dividends	-	-
(-) Transfer to Reserves	-	-
Closing Balance	(18,410,695)	(18,897,122)
Total	(17,444,353)	(17,930,780)

Note 3

Long Term Borrowings

(Amount in Rs.)

	2014-15	2013-14
Secured		
The Mehsana Urban Co Op. Bank Ltd. (Secured By Plant & Machinery)	302,148	623,480.00
Mahindra & Mahindra Financial Services	511,690.00	-

(Secured by Vehicle)
(of the above, ` NIL is guaranteed by Directors and /
or others)

Total

813,838	623,480.00
813,838	623,480

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

	2014-15	2013-14
(a) Trade Payables	-	-
(b) Others (Specify Nature)	-	-
Deposit against Cylinder	285,600	235,600
CDSL	-	-
MCS Ltd.	-	-
NSDL	-	-
Shah Merchant & Associates	-	-
Total	285,600	235,600

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

	2014-15	2013-14
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)	2,595,825	1,822,354
	2,991,825	2,218,354
Unsecured		
(a) Loans and advances from related parties (of the above, 13,84,596/- is guaranteed by (b) Other loans and advances (specify nature)	1,384,596	356,596
Advance for sale of Plant & Machinery	-	-
	1,384,596	356,596
Total	4,376,421	2,574,950

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

	2014-15	2013-14
(a) Vat Payable	35,369	25,590
(b) Other Payable	-	-
Total	35,369	25,590

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

	2014-15	2013-14
(a) Others (Specify nature)		
Provision for Electricity Exp.	29,229	12,408
Provision for tax Audit fees	17,100	16,854
Provision for TDS	10,182	-
Provision for Telephone Exp.	2,447	3,079
Total	58,958	32,341

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

Particulars	2014-15	2013-14
Other Investments (Refer B below)		
(a) Investment Property	-	-
(b) Investment in equity instruments	98,000	64,000
Total	98,000	64,000
Less : Provision for diminution in the value of Investments	-	-
Total	98,000	64,000

(Amount in Rs.)

Particulars	2014-15	2013-14
Aggregate amount of quoted investments (Market value of Nos. of _____)	-	-
Aggregate amount of unquoted investments (Previous Year ` 64000)	98,000	64,000

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

	2014-15	2013-14
a. Security Deposits		
Secured, considered good		
Unsecured, considered good	10,882,040	7,727,150
Doubtful		
Less: Provision for doubtful deposits		
	10,882,040	7,727,150
b. Other loans and advances (specify nature)		
Secured, considered good	-	-
Unsecured, considered good	1,370,786	5,904,779
Doubtful	-	-
Less: Provision for _____		
	1,370,786	5,904,779
	12,252,826	13,631,929

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

	2014-15	2013-14
a. Long term trade receivables		
(including trade receivables on deferred credit terms)		
Secured, considered good	-	-
Unsecured, considered good	1,401,960	2,338,182
Doubtful	-	-
Less: Provision for doubtful debts		
	1,401,960	2,338,182
	1,401,960	2,338,182

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

	2014-15		2013-14	
a. Finished goods (Valued at _____)	544,011		132,028	
Goods-in transit				
		544,011		132,028
Total		544,011		132,028

Note 13
Trade Receivables

(Amount in
Rs.)

	2014-15	2013-14
Trade receivables outstanding for a period less than six months from the date they are due for payment.		
Secured, considered good	-	-
Unsecured, considered good	4,457,718	4,504,553
Unsecured, considered doubtful	-	-
Less: Provision for doubtful debts	-	-
	4,457,718	4,504,553
Trade receivables outstanding for a period exceeding six months from the date they are due for payment		
Secured, considered good		
Unsecured, considered good	679,648	58,713
Unsecured, considered doubtful		
Less: Provision for doubtful debts		
	679,648	58,713
Total		
	5,137,366	4,563,266

Note 14

Cash and cash equivalents

(Amount in
Rs.)

	2014-15		2013-14	
a. Balances with banks*		23,303		25,067
This includes:				
Current Accounts	23,303		25,067	
b. Cheques, drafts on hand		-		-
c. Cash on hand*		1,624,564		837,629
d. Fixed Deposit (Pledge with Bank for Gurantee)		300,000.00		300,000.00
		1,947,867		1,162,696

*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.)

	2014-15		2013-14	
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	-
Advance to Staff	-	-	-	-
Doubtful	-	-	-	-
Less: Provision for _____	-	-	-	-
		-		4,146
		-		4,146

Related Party Transaction

(Amount in
Rs.)

Particulars	2014-15	2013-14
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	2014-15		2013-14	
Prepaid Income Tax / Advance Tax / T.D.S. (Net of Provisions, if any)	307,617		243,727	
		307,617		243,727
		307,617		243,727

HILLTONE SOFTWARE & GASES LIMITED

BALANCE SHEET AS AT 31st March 2015

(Amt. in Rs.)

Particulars		Note No.	2014-15	2013-14
I. EQUITY AND LIABILITIES				
1 Shareholders' funds				
(a) Share capital		1	40,003,000	40,003,000
)				
(b) Reserves and surplus		2	(17,444,353)	(17,930,780)
)				
(c) Money received against share warrants			-	-
2 Share application money pending allotment				
3 Non-current liabilities				
(a) Long-term borrowings		3	813,838	623,480
)				
(b) Deferred tax liabilities (Net)			-	-
)				
(c) Other Long term liabilities		4	285,600	235,600
(d) Long-term provisions			-	-
)				
4 Current liabilities				
(a) Short-term borrowings		5	4,376,421	2,574,950
(b) Trade payables			2,734,557	2,993,566
(c) Other current liabilities		6	35,369	25,590
(d) Short-term provisions		7	58,958	32,341
TOTAL				
L			30,863,390	28,557,747
II. ASSETS				
Non-current assets				
1 (a) Fixed assets		8	9,173,743	6,417,773
(i) Tangible assets			9,145,037	6,202,247
(ii) Intangible assets			28,706	215,526
(iii) Capital work-in-progress			-	-
(iv) Intangible assets under development			-	-
(b) Non-current investments		9	98,000	64,000
(c) Deferred tax assets (net)			-	-
(d) Long-term loans and advances		10	12,252,826	13,631,929
(e) Other non-current assets		11	1,401,960	2,338,182
2 Current assets				
(a) Current investments			-	-
(b) Inventories		12	544,011	132,028
(c) Trade receivables		13	5,137,366	4,563,266
(d) Cash and cash equivalents		14	1,947,867	1,162,696
(e) Short-term loans and advances		15	-	4,146
(f) Other current assets		16	307,617	243,727
TOTAL				
L			30,863,390	28,557,747
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		SD/-		
Chartered Accountants		NIKET M. SHAH		
FRN No.: 109685W		(Managing Director)		
SD/-		SD/-		
CA. BHARAT M. VASHI		ANIL SHARMA		
Partner		(CFO)		
M. No.:031122		SD/-		

Place : Ahmedabad
Date : 31st May 2015

HITAL M. SHAH
(Executive Director)

Total

20,545,067	3,338,996	-	-	-	23,884,063	14,127,294	583,026	-	-	14,710,320	6,417,773	9,173,743
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Previous Year

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
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Note 17
Revenue from operations

(Amount in
Rs.)

Particulars	2014-15	2013-14
Sale of products	23,847,821	20,141,678
Other operating revenues	411,860	135,428
Total	24,259,681	20,277,106

Sale of Products includes:

1. Sale of Oxygen & Other Gases	23,847,821
---------------------------------	------------

Other Operating Income includes:

1. Cylinder Testing Income	4,050
2. Cylinder Maintenance Income	28,480
3. Cylinder Rent Income	188,020
4. Creditor Write off	186,510
5. Cylinder Flashing	4,800

Note 18

Other income

(Amount in
Rs.)

Particulars	2014-15	2013-14
Interest Income (in case of a company other than a finance company)	855,284	1,099,070
Dividend Income	9,750	9,000
Other income (Commission Income)	786,103	349,745
Other income (Land Maintenance Income)	67,500	90,000
Other income (Land Rent Income)	150,750	227,000
Other income (Land Rent income 2)	120,000	-
Total	1,989,387	1,774,815

Note 19

Purchases of Stock-in-Trade

(Amount in
Rs.)

Particulars	2014-15	2013-14
Purchases of Stock-in-Trade	18,294,090	15,900,328
Total	18,294,090	15,900,328

Note 20

Changes in inventories of finished goods work-in-progress and Stock-in-Trade

(Amount in
Rs.)

Particulars	2014-15	2013-14
Opening Stock :		
Work-in-Process	-	-
Finished Goods		
Traded Items	132,028	144,410
Closing Stock :		
Work-in-Process	-	-
Finished Goods	-	-
Traded Items	544,011	132,028
Add/(Less): Excise Duty adjustment on Finished Goods	-	-
Total	(411,983)	12,382

Note 21

Employee Benefits Expense

(Amount in
Rs.)

	2014-15	2013-14
(a) Salaries and incentives	2,678,056	2,149,356
(b) Staff welfare expenses	1,860	600
Total	2,679,916	2,149,956

Note 22
Finance costs

**(Amount in
Rs.)**

Particulars	2014-15	2013-14
Interest expense	221,767	143,361
Interest on Term Loan	74,668	131,287
Bank Charges etc.	12,202	3,453
Total	308,637	278,101

Note 23

Other expenses

**(Amount in
Rs.)**

Particulars	2014-15	2013-14
Bad Debts	1,046,640	
Conveyance Expenses	1,330	14,000
Donation	200,000	-
Electricity expenses	437,088	388,558
Excess Vat W/off	-	283
Insurance -Others	63,051	8,292
Legal and Consultancy Fees	124,867	153,846
Legal Charges	20,000	28,000
Office Expenses	200,993	190,897
Other Expenses	703,466	331,160
Postage & Courier Charges	15,986	15,551
Printing & Stationery	52,595	35,103
Rent	182,000	267,000
Repair and Maintenance-Others	171,189	87,321
Profit / Loss of Speculation	1,005,706	-
Tele Communication Expenses	44,144	39,968
a. auditor	22,800	22,472
b. for taxation matters	17,100	16,854
Total	4,308,955	1,599,305

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 II of the companies Act, 2013 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.
D) Intangible Assets' residual value has been considered as per AS-26.
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	492000
	Loan received	1437000
Hital M Shah	Remuneration paid	492000

HILLTONE SOFTWARE & GASES LIMITED
Regd. Office: B/4, K.B.Complex, Dairy Road, Mehsana – 384002
CIN: U72200GJ1993PLC020620

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 22nd Annual General Meeting of the company, to be held on Wednesday, 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 31.03.2015		
2.	Re-appointment of M/s BPA & Company as Statutory Auditors of the company		
Special Business			
3.	Regularize the Appointment of Mrs. Parulben N. Shah as Women Director		
4.	Regularize the Appointment of Mr. Anil Shobha ram kumar as Chief Financial Officer		

Singed this _____ day of _____ 2015.

 Signature of Shareholder

 Signature of Proxy holder(s)

Affix Reven ue

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 22nd Annual General Meeting of the company.

4. This form of proxy, to be effective should be duly completed and deposited at the registered office of the company, not later than 48 hours before the commencement of the aforesaid meeting.

HILLTONE SOFTWARE & GASES LIMITED
Regd. Office: B/4, K.B.Complex, Dairy Road, Mehsana - 384002
CIN: U72200GJ1993PLC020620

ATTENDENCE SLIP

22nd Annual General Meeting

Regd. Folio/ DP & Client No.	
No. Shares held	

I certify that I am registered Shareholder/ Proxy for the registered shareholder of the Company. I hereby record my presence at the 22nd Annual General Meeting of the shareholders of the company, to be held on Wednesday, the 30th September, 2015 at 11.30 a.m. at the registered office of the company

Member's Name: _____

Proxy's Name: _____

Note:

1. Please fill the attendance slip and hand over at the registered office of the Company.
2. Members/Proxy Holders/ Authorized Representative are requested to show their Photo ID proof for the attending the meeting.
3. Authorized Representative of corporate members shall produce proper authorization issue in their favour.

BOOK POST

If undelivered Please return to:

**HILLTONE SOFTWARE & GASES LIMITED
B/4, K.B. Complex,
Dairy Road,
Mehsana – 384 002**