

**HILLTONE SOFTWARE
&
GASES LIMITED**

CIN:L72200GJ1993PLC020620

26th

**Annual Report
F.Y 2018-2019**

HILLTONE SOFTWARE AND GASES LIMITED

L72200GJ1993PLC020620

CORPORATE INFORMATION

BOARD OF DIRECTORS

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

COMPANY SECRETARY & COMPLIANCE OFFICER

Abira Idris Mansuri

CHIEF FINANCIAL OFFICER

Anil Shobha Ram Kumar

STATUTORY AUDITORS

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

INTERNAL AUDITORS

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

SECRET ARIAL AUDITORS

ZM & Associates
Practicing Company Secretary,
Ahmedabad

BANKERS

Mehsana Urban Co-op Bank Limited
Bank of Baroda

REGISTERED OFFICE

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

REGISTRAR & SHARE TRANSFER AGENT

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

GST NUMBER: 24AAACH3866Q1Z4

SECURITY CODE: CSE – 018077

ISIN NUMBER: INE168C01013



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HILLTONE SOFTWARE AND GASES LIMITED

L72200GJ1993PLC020620

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

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

Website www.HilltoneGases.com

NOTICE

NOTICE is hereby given that **26th Annual General Meeting** of the Members of Hilltone Software and Gases Limited, will be held on Saturday, 28th September 2019 at 11.30 P.M at Hotel Legend Restaurant & Banquets, Square One Complex, Near Dominos Pizza, Radhanpur Road, Mehsana-384002, Gujarat, India, to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the audited financial statements of the Company for the financial year ended on 31 March 2019 and the reports of the Board of Directors' and Auditors' thereon; and
2. To appoint a Director in place of Mr. Parulben Niketkumar Shah (DIN: 07126594), who retires by rotation and being eligible, has offered herself for reappointment.

SPECIAL BUSINESS

3. **To appoint Mr. Shaileshkumar Ambalal Patel (DIN: 08453992) as a Non Executive Independent Director with effect from 16th May, 2019 for a period of Five years till 16th May, 2024.**

To consider and, if thought fit, to pass with or without modification, the following resolution as an Ordinary Resolution:-

“RESOLVED THAT pursuant to the provisions of Sections 149 and 152 read with Schedule IV and other applicable provisions, if any, 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) read with Regulation 16(1)(b) and other applicable regulations of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) and/or re-enactment(s) , Mr. Shaileshkumar Ambalal Patel (DIN: 08453992), whose appointment was approved by the board as Additional Director Non executive –Independent in their meeting held on 16th May, 2019 be and is hereby appointed as a Independent Director of the Company to hold office for a period of 5 years i.e. upto 16th May, 2024 who shall not be liable to retire by rotation.”

4. **To appoint Mr. Sunil Vishnuprasad Purohit (DIN: 08454069) as a Non Executive Independent Director with effect from 16th May, 2019 for a period of Five years till 16th May ,2024.**

To consider and, if thought fit, to pass with or without modification, the following resolution as an Ordinary Resolution:-

“RESOLVED THAT pursuant to the provisions of Sections 149 and 152 read with Schedule IV and other applicable provisions, if any, 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) read with Regulation 16(1)(b) and other applicable regulations of the SEBI (Listing

Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) and/or re-enactment(s) , Mr. Sunil Vishnuprasad Purohit, whose appointment was approved by the board as Additional Director Non executive –Independent in their meeting held on 16th May,2019 be and is hereby appointed as a Independent Director of the Company to hold office for a period of 5 years i.e. upto 16th May, 2024 who shall not be liable to retire by rotation.”

5. To revise remuneration of Mr. Niketbhai Mahendrabhai Shah(DIN: 00278968), Managing Director of the Company

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 196, 197, 198 and any 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), read with Schedule “V” of the Companies Act, 2013 ,consent of the members of the Company be and is hereby accorded to revision of remuneration, by way of increase in the remuneration payable to Mr. Niketbhai Mahendrabhai Shah, Managing Director of the Company with effect from 15th November, 2018 till the remaining tenure of his present term as per the revised salary, allowance and perquisites as under:

Details of remuneration:

Salary:

Upto Rs. 1,00,000/- (Rupees One Lakh Only) per month.

Total Salary includes:

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

When in any financial year, the Company has no profits or its profits are inadequate, the remuneration including the perquisites as aforesaid will be paid to the Managing Director in accordance with the applicable provisions of Schedule V of the Act and subject to the approval of the Central Government, if required

RESOLVED FURTHER THAT the Board of Directors of the Company or any committee thereof be and is hereby also authorized to amend, alter, modify or otherwise vary the aforesaid terms and conditions/or remuneration of Mr. Niketbhai Mahendrabhai Shah, Managing Director of the Company from time to time.

RESOLVED FURTHER THAT the Board of Directors of the Company or any committee thereof be and is hereby authorized to do all such acts, deeds, matters and things as in its absolute discretion it may think necessary, expedite or desirable; to settle any question that may arise in relation thereto in order to give effect to the foregoing resolution.

6. **To revise the remuneration of Mr. Hitalbhai Mahendrabhai Shah (DIN: 00279026), Whole Time Director of the Company**

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

“RESOLVED THAT in supersession of the earlier resolutions passed and pursuant to the provisions of Section 196, 197, 198 and any 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), read with Schedule “V” of the Companies Act, 2013, consent of the members of the Company be and is hereby accorded to revision of remuneration, by way of increase in the remuneration payable to Mr. Hitalbhai Mahendrabhai Shah, Whole Time Director of the Company with effect from 15th November, 2018 till the remaining tenure of his present term as per the revised salary, allowance and perquisites as under:

Details of remuneration:

Salary:

Upto Rs. 1,00,000/- (Rupees One Lakh Only) per month.

Total Salary includes:

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

When in any financial year, the Company has no profits or its profits are inadequate, the remuneration including the perquisites as aforesaid will be paid to the Whole Time Director in accordance with the applicable provisions of Schedule V of the Act and subject to the approval of the Central Government, if required

RESOLVED FURTHER THAT the Board of Directors of the Company or any committee thereof be and is hereby also authorized to amend, alter, modify or otherwise vary the aforesaid terms and conditions/or remuneration of Mr. Hitalbhai Mahendrabhai Shah, Whole Time Director of the Company from time to time.

RESOLVED FURTHER THAT the Board of Directors of the Company or any committee thereof be and is hereby authorized to do all such acts, deeds, matters and things as in its absolute discretion it may think necessary, expedite or desirable; to settle any question that may arise in relation thereto in order to give effect to the foregoing resolution.

7. **Increase in borrowing powers of the Company under Section 180(1)(c) of the Companies Act, 2013:**

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

“RESOLVED THAT in supersession of the earlier resolution passed by the Members at their 21st Annual General Meeting held on 30th September, 2014 and pursuant to the provisions of Section 180(1)(c) of the Companies Act, 2013 and the rules framed there under (‘the Act’) and the Articles of Association of the

Company, the approval of the members of the Company be and is hereby accorded to the Board of Directors (hereinafter referred as 'Board' which term shall include a Committee thereof authorized for the purpose) of the Company, to borrow, from time to time, any sum or sums of monies, which together with the monies already borrowed by the Company (including non-fund based banking facilities) as may be required for the purpose of the business of the Company, from one or more Banks, Financial Institutions and other persons, firms, bodies corporate, whether in India or abroad, notwithstanding that the monies so borrowed together with the monies already borrowed (apart from temporary loans obtained from the Company's Bankers in the ordinary course of business) may at any time exceed the aggregate of the paid up capital of the Company, its free reserves (reserves not set apart for any specific purpose) and securities premium account, provided that the total amount that may be borrowed by the Board and outstanding at any point of time, shall not exceed the sum of Rs.200 Lacs (Rupees Two Hundred Lacs only).

RESOLVED FURTHER THAT the Board of Directors (or a Committee thereof constituted for this purpose) be and is hereby authorized to take all such steps as may be necessary, proper and expedient to give effect to this Resolution."

8. Creation of charge/ security over the assets/ undertakings of the Company under Section 180(1)(a) of the Companies Act, 2013:

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

"RESOLVED THAT in supersession of the earlier resolution passed by the Members at their 21st Annual General Meeting held on 30th September, 2014 and pursuant to the provisions of Section 180(1)(c) of the Companies Act, 2013 and the rules framed there under ('the Act') and the Articles of Association of the Company, the approval of the members of the Company be and is hereby accorded to the Board of Directors (hereinafter referred as 'Board' which term shall include a Committee thereof authorized for the purpose) of the Company, to borrow, from time to time, any sum or sums of monies, which together with the monies already borrowed by the Company (including non-fund based banking facilities) as may be required for the purpose of the business of the Company, from one or more Banks, Financial Institutions and other persons, firms, bodies corporate, whether in India or abroad, notwithstanding that the monies so borrowed together with the monies already borrowed (apart from temporary loans obtained from the Company's Bankers in the ordinary course of business) may at any time exceed the aggregate of the paid up capital of the Company, its free reserves (reserves not set apart for any specific purpose) and securities premium account, provided that the total amount that may be borrowed by the Board and outstanding at any point of time, shall not exceed the sum of Rs. 200 lacs (Rupees Two Hundred Lacs only).

RESOLVED FURTHER THAT the Board of Directors (or a Committee thereof constituted for this purpose) be and is hereby authorized to take all such steps as may be necessary, proper and expedient to give effect to this Resolution."

9. Giving guarantees or providing securities in respect of any loans to any Body Corporate or Persons and/ or making investments in the securities of any Body Corporate in excess of the limits specified under Section 186 of the Companies Act, 2013:

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

"RESOLVED THAT pursuant to the provisions of Section 186 of the Companies Act, 2013 ("the Act") read with the Companies (Meetings of Board and its Powers) Rules, 2014 and other applicable provisions, if any, of the Act (including any modification or re-enactment thereof for the time being in force) and subject to such approvals, consents, sanctions and permissions as may be necessary, the approval of the members of the Company be and is hereby accorded to the Board of Directors (hereinafter referred as

'Board' which term shall include a Committee thereof authorized for the purpose) of the Company for making investment(s) in excess of limits specified under section 186 of Companies Act, 2013 from time to time in acquisition of securities of anybody corporate or for giving guarantees or providing securities in respect of any loans to anybody corporate or other person / entity whether in India or outside India, as may be considered appropriate for an amount not exceeding Rs. 200 Lakhs (Rupees Two Hundred Lacs only).

RESOLVED FURTHER THAT the Board of Directors (or a Committee thereof constituted for this purpose) be and is hereby authorized to take all such steps as may be necessary, proper and expedient to give effect to this Resolution."

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

Abira Idris Mansuri
Company Secretary & Compliance Officer
Membership No.: ACS 42410

Date : 13th August, 2019
Place : Ahmedabad

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

NOTES:

1. The Explanatory Statement pursuant to Section 102 (1) of the Companies Act, 2013 with respect to the special business set out in the Notice is annexed.
2. A member entitled to attend and vote at the Annual General Meeting of the Company may appoint a proxy to attend and vote on a poll on his behalf and proxy need not be member of the Company. The instrument appointing a proxy must be deposited with the Company at its registered office not less than 48 hours before the time for holding the meeting.
A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.

During the period beginning 24 hours before the time fixed for the commencement of the meeting and ending with the conclusion of the meeting, a member would be entitled to inspect the proxies lodged at any time during the business hours of the Company, provided that not less than three days of notice in writing is given to the Company.

3. Corporate members intending to send their authorised representative to attend meeting are requested to send the Company a certified true copy of the Board Resolution authorising their representative to attend and vote on their behalf at the Annual General Meeting.
4. Members/proxies/authorised representatives are requested to bring their attendance slip along with their copy of Annual Report in the meeting.
5. Members who hold shares in dematerialised form are requested to write their client ID and DP ID numbers and those who hold shares in physical form are requested to write their folio number in the Attendance Slip for attending the Meeting.
6. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of Names will be entitled to vote.
7. The Register of Directors and Key Managerial Personnel and their shareholding, maintained under Section 170 of the Companies Act, 2013, will be available for inspection by the members at the AGM.
8. The Register of Contracts or Arrangements in which Directors are interested, maintained under Section 189 of the Companies Act, 2013, will be available for inspection by the members at the AGM.
9. The Register of Members and Share Transfer Book of the Company will be closed from Saturday, 21 September 2019 to Saturday, 28 September 2019 (both days inclusive) for the purpose of Annual General Meeting.
10. Members holding shares in electronic form are requested to intimate immediately for any change in their address or bank mandates to their Depository Participants with whom they are maintaining their dematerialised accounts. Members holding shares in physical form are requested to advise any change in their address or bank mandates immediately to the Company or contact our Registrar and Transfer Agent i.e. MCS Share Transfer Agent Limited.
11. Members are requested to contact our Registrar and Transfer Agent for any queries related to shares and other inquiry at the following address:

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

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

- Please quote Folio no. / DP ID & CL ID for any communication for your shareholding.
 - Bring the copy of Annual Report at the meeting.
12. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in physical form can submit their PAN to the Company or contact our Registrar and Transfer Agent i.e. MCS Share Transfer Agent Limited..
 13. Pursuant to Regulation 36 (3) of SEBI (LODR) Regulations, 2015 with the Stock Exchanges, the details of Directors seeking appointment / re-appointment in the Annual General Meeting to be held on Saturday, 28 September 2019 is attached as per Annexure A.
 14. Any member desiring any clarification / explanation in respect of the information given in this annual report is requested to submit query to the Company at least seven days in advance before the meeting so as to enable the management to keep information ready.
 15. Pursuant to Regulations 36 of SEBI (LODR) Regulations, 2015, the soft copies of Annual Report 2018-19 is being sent through electronic mode only to the members whose email addresses are registered with the Company / Depository Participant(s), unless any member has requested for a physical copy of the report. For members who have not registered their email addresses, physical copies of the Annual Report 2018-19 are being sent by the permitted mode.

The Companies Act, 2013 has also recognized serving of documents to any Member through electronic mode. Your email addresses made available by the Depository for your respective Depository Participant accounts as part of the beneficiary position downloaded from the Depositories from time to time will be deemed to be your registered email address for serving notices / documents including those covered under Sections 101 and 136 of the Companies Act, 2013 read with Section 20 of the Companies Act, 2013 and the underlying rules relating to transmission of documents in electronic mode. In light of the requirements prescribed by the aforesaid circulars, for those Members whose Depository Participant accounts do not contain the details of their email address, printed hard copies of the Notice of Annual General Meeting and Annual Report for the year ended 31 March 2019 would be dispatched.
 16. Members may also note that the Notice of the 26th AGM and the Annual Report 2018-19 will be available on the Company's website www.hilltonegases.com. The physical copies of the aforesaid documents will also be available at the Company's registered office for inspection during normal business hours on working days. Members who require communication in physical form in addition to e-communication, or have any other queries, may write to us at secretarial.hilltone@gmail.com.
 17. With a view towards using natural resources responsibly and to support the "Green Initiative", we request Members to update their email address, with their Depository Participants to enable the Company to send the Annual Report and other communications electronically.
 18. In compliance with Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014, substituted by Companies (Management and Administration) Amendment, Rules 2015, and Regulations 44 of SEBI (LODR) Regulations, 2015, the Company is pleased to provide to its members, facility to exercise their rights to vote on resolutions proposed to be passed at the 26th Annual

General Meeting (AGM) by electronic means. The members may cast their votes using electronic system from a place other than the venue of the meeting ("remote e-voting") through the remote electronic voting service facility arranged by National Securities Depository Limited.

The facility for voting through ballot papers will also be made available at the AGM and the members attending the AGM who have not already cast their votes by remote e- voting shall be able to exercise their right at the AGM through ballot paper.

Members who have cast their votes by remote e- voting prior to the AGM may attend the AGM but shall not be entitled to cast their votes again. The instructions for remote e- voting are annexed to the Notice.

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

**Abira Idris Mansuri
Company Secretary & Compliance Officer
Membership No.: ACS 42410**

Date : 13th August, 2019
Place : Ahmedabad

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

ANNEXURE TO THE NOTICE
Explanatory Statement
(Pursuant to the provisions of Section 102 of the Companies Act, 2013)

In conformity with the provisions Section 102 of the Companies Act, 2013, the following Explanatory Statement sets out all material facts relating to special business contained in the accompanying Notice. (Voluntary statement provided for ordinary resolution No. 3,4,5 & 6.

Item No. 3

Mr. Shaileshkumar Ambalal Patel (DIN: 08453992), was appointed as an Independent Director (Additional Director) of the Company in Meeting of the Board of Directors held on 16th May, 2019 w.e.f. 16th May, 2019 for a period of 5 (five) years i.e. till 16th May, 2019 subject to your approval.

Mr. Shaileshkumar Ambalal Patel (DIN: 08453992), aged 47 years is S.Y B.Com and has 20 year and more experience in LPG Industry filed and marketing. Pursuant to the provisions of Section 161 of the Companies Act, 2013, he holds office as such upto the date of ensuing Annual General Meeting.

In terms of provisions of Section 149 and 152 of the Companies Act, 2013, which became effective from 1st April, 2014, an Independent Director of a Company can be appointed for a term of 5 consecutive years and shall not be liable to retire by rotation.

Mr. Shaileshkumar Ambalal Patel have given the requisite declarations pursuant to Section 149(7) of the Companies Act, 2013 to the effect that he meet the criteria of independence as provided in Section 149(6) of the Companies Act, 2013

In the opinion of the Board, Mr. Shaileshkumar Ambalal Patel proposed to be appointed as Independent Directors fulfill the conditions specified in the Act and the rules made there under and are independent of the management.

Brief resume of the Independent Directors proposed to be appointed as stipulated under the Listing Regulations is given in the annexure to the Notice as Annexure A.

Except, Mr. Shaileshkumar Ambalal Patel none of the Directors of your Company or their relatives are concerned or interested in the said resolution. The Board recommends the Ordinary Resolution as set out at item no. 1 of the Notice for approval of the shareholders of the Company.

Item No. 4

Mr. Sunil Vishnuprasad Purohit (DIN: 08454069), was appointed as an Independent Director (Additional Director) of the Company in Meeting of the Board of Directors held on 16th May, 2019 w.e.f. 16th May, 2019 for a period of 5 (five) years i.e. till 16th May, 2019.

Mr. Sunil Vishnuprasad Purohit (DIN: 08454069), aged 59 years is Arts Graduate and has 40 year and more experience in Gas Industry filed. Pursuant to the provisions of Section 161 of the Companies Act, 2013, he holds office as such upto the date of ensuing Annual General Meeting.

In terms of provisions of Section 149 and 152 of the Companies Act, 2013, which became effective from 1st April, 2014, an Independent Director of a Company can be appointed for a term of 5 consecutive years and shall not be liable to retire by rotation.

Mr. Sunil Vishnuprasad Purohit (DIN: 08454069), have given the requisite declarations pursuant to Section 149(7) of the Companies Act, 2013 to the effect that he meet the criteria of independence as provided in Section 149(6) of the Companies Act, 2013

In the opinion of the Board, Mr. Sunil Vishnuprasad Purohit (DIN: 08454069), proposed to be appointed as Independent Directors fulfill the conditions specified in the Act and the rules made there under and are independent of the management.

Brief resume of the Independent Directors proposed to be appointed as stipulated under the Listing Regulations is given in the annexure to the Notice as Annexure A.

Except, Mr. Sunil Vishnuprasad Purohit (DIN: 08454069), none of the Directors of your Company or their relatives are concerned or interested in the said resolution. The Board recommends the Ordinary Resolution as set out at item no. 2 of the Notice for approval of the shareholders of the Company.

Item No:5 & 6

Mr. Niket M. Shah was re-appointed as Managing Director of the Company for a period of 5 years w.e.f 1st April, 2018. He has been carrying out various responsibilities of the company as Managing Director. In view of the same and to bring his remuneration at par with industry standards, it is proposed to increase his remuneration for the balance tenure of his appointment .The Nomination & Remuneration Committee at its meeting held on 15th November 2018, has approved and recommended the revision in the remuneration payable to Mr. Niket M. Shah and the same was duly approved by the Board of Directors in their meeting subsequently on 15th November,2018. The details of the revised remuneration payable is given in the resolution set forth at item no 3 of the notice.

In accordance with Section 196, 197 read with Schedule V (as amended) and applicable rules under the Company Act, 2013, the approval of the members is being sought for the said revision in remuneration payable to Mr. Niket M. Shah. The remuneration payable falls within the limits specified under Schedule V (as amended).

Similarly, Mr. Hital M. Shah was appointed as Whole Time Director of the Company for a period of 5 year w.e.f 1st April, 2018. He has been carrying out various responsibilities of the company as Whole Time Director. In view of the same and to bring his remuneration at par with industry standards, it is proposed to increase his remuneration for the balance tenure of his appointment The Nomination & Remuneration Committee at its meeting held on 15th November 2018, has approved and recommended the increase in the remuneration payable to Mr. Hital M. Shah and the same was duly approved by the Board of Directors in their meeting subsequently on 15th November,2019. The details of the revised remuneration payable is given in the resolution set forth at item no 4 of the notice.

In accordance with Section 196, 197 read with Schedule V (as amended) and applicable rules under the Companies Act, 2013, the approval of the members is being sought for the said revision/ increase in remuneration payable to Mr. Niket M. Shah and Mr. Hital M. Shah. The remuneration payable falls within the limits specified under Section 196, 197 and Schedule V (as amended).

Item No 7 and 8

Pursuant to the provisions of Section 180(1)(a) and 180(1)(c) of the Companies Act, 2013, the Board of Directors of the Company, except with the consent of the Company by a Special Resolution, cannot borrow moneys, apart from temporary loans in excess of aggregate of the paid up capital, free reserves and securities premium account nor can create charge / security over the assets / undertaking of the Company which would be required to secure the borrowings. The members of the Company had at their at their 21st Annual General Meeting held on 30th September, 2014, approved borrowing limits of upto Rs. 100 Lacs. In order to meet the fund requirements of proposed expansion plans, routine capex and working capital requirements, it is proposed to increase borrowing

limits from Rs. 100 Lakhs to Rs. 200 Lakhs and to create charge / security over the assets / undertakings of the Company for such borrowings.

Your Directors recommends the proposed Special Resolutions mentioned at Item Nos. 7 & 8 of this Notice for shareholders' approval.

None of the Directors, Key Managerial Personnel and their relatives are concerned or interested financially or otherwise in the proposed resolutions mentioned at Item Nos. 7 & 8 of this Notice.

Item No. 9

The provisions of Section 186 of the Companies Act, 2013 read with the Companies (Meetings of Board and its Powers) Rules, 2014, as amended to date, provides that no company is permitted to, directly or indirectly, (a) give any loan to any person or other body corporate; (b) give any guarantee or provide security in connection with a loan to any other body corporate or person; and (c) acquire by way of subscription, purchase or otherwise, the securities of any other body corporate, exceeding sixty percent of its paid-up share capital, free reserves and securities premium account or one hundred percent of its free reserves and securities premium account, whichever is more. Further, the said Section provides that where the giving of any loan or guarantee or providing any security or the acquisition as provided under Section 186(2) of the Act, exceeds the limits specified therein, prior approval of Members by means of a Special Resolution is required to be passed at a general meeting. In view of the above and considering the long term business plans of the Company, which may require the Company to make sizeable investments and issue guarantees/ securities to persons or bodies corporate, from time to time, for which prior approval of the Members is being sought.

Therefore, your Directors recommends the proposed Special Resolution mentioned at Item No. 9 of this Notice for shareholders' approval.

None of the Directors, Key Managerial Personnel and their relatives are concerned or interested financially or otherwise in the proposed resolution.

ANNEXURE I

Details of Directors seeking appointment/reappointment/continuation of directorship in Annual General Meeting to be held on 28th September, 2019.

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

Name	Parul N. Shah	Shaileshkumar Ambalal Patel	Sunil Vishnuprasad Purohit
Director Identification Number (DIN)/PAN	07126594	08453992	08454069
DOB	03/05/1969	29/07/1972	12/10/1960
Qualification	B.A	S.Y B.COM	B.A
Expertise in specific area	Administration	Production and Administration	Production and Marketing
Date of First appointment on the Board of the Company	25/03/2015	16/05/2019	16/05/2019
Shareholding in the Company (Only In case the Director to be appointed is a Non- Executive Director)	NIL	NIL	NIL
List of Directorship held in other companies	NIL	NIL	NIL
Names of Listed Entities in which the person holds membership of Committees of the Board	NIL	NIL	NIL
Relationship with other Directors/Key Managerial Personnel	Wife of Mr. Niket shah (Managing Director)	Not related to any Director / Key Managerial Personnel	Not related to any Director / Key Managerial Personnel

HILLTONE SOFTWARE AND GASES LIMITED

CIN: L72200GJ1993PLC020620

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

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

Website www.HilltoneGases.com

VOTING THROUGH ELECTRONIC MEANS

Pursuant to provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended by the Companies (Management and Administration) Amendment Rules, 2015 and Regulation 44 of SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015, the Company is pleased to provide members facility to exercise their right to vote at the Annual General Meeting (AGM) by electronic means and the **business may be transacted through e-Voting Services. The facility of casting the votes by the members using an electronic voting system from a place other than venue of the AGM (“remote e-voting”) will be provided by National Securities Depository Limited (NSDL).**

The Company has approached NSDL for providing e-voting services through our e-voting platform. In this regard, your Demat Account/Folio Number has been enrolled by the Company for your participation in e-voting on resolution placed by the Company on e-Voting system.

The Notice of the Annual General Meeting (AGM) of the Company inter alia indicating the process and manner of e-Voting process along with printed Attendance Slip and Proxy Form can be downloaded from the link <https://www.evoting.nsdl.com> or (<http://www.hilltonegases.com>).

The e-voting period commences on September 25th, 2019 (9:00 am) and ends on September 27, 2019 (5:00 pm). During this period shareholders' of the Company, may cast their vote electronically. The e-voting module shall also be disabled for voting thereafter. Once the vote on a resolution is cast by the shareholder, the shareholder shall not be allowed to change it subsequently.

The voting rights of members shall be in proportion to their shares of the paid up equity share capital of the Company as on the **cut-off date** of 21st September, 2019 .Any person, who acquires shares of the Company and become member of the Company after dispatch of the notice and holding shares as of the cut-off date i.e. 21st September, 2019, may obtain the login ID and password by sending a request at evoting@nsdl.co.in or secretarial.hilltone@gmail.com .

The facility for voting through ballot paper shall be made available at the AGM and the members attending the meeting who have not cast their vote by remote e-voting shall be able to exercise their right at the meeting through ballot paper.

The procedure to login to e-Voting website consists of two steps as detailed hereunder:

Step 1 : Log-in to NSDL e-Voting system

1. Visit the e-Voting website of NS
2. DL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/>.
3. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholders’ section.

4. A new screen will open. You will have to enter your User ID, your Password and a Verification Code as shown on the screen. Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in

<https://eservices.nSDL.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your login credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.
5. Your User ID details will be as per details given below :
 - a) For Members who hold shares in demat account with NSDL: 8 Character DP ID followed by 8 Digit Client ID (For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****).
 - b) For Members who hold shares in demat account with CDSL: 16 Digit Beneficiary ID (For example if your Beneficiary ID is 12***** then your user ID is 12*****).
 - c) For Members holding shares in Physical Form: EVEN Number followed by Folio Number registered with the company (For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***).
6. Your password details are given below:
 - a. If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
 - b. If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need enter the 'initial password' and the system will force you to change your password.
 - c. How to retrieve your 'initial password'?
 - i. If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.
 - ii. If your email ID is not registered, your 'initial password' is communicated to you on your postal address.
7. If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:
 - a. Click on "Forgot User Details/Password?"(If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nSDL.com.
 - b. "Physical User Reset Password?" (If you are holding shares in physical mode) option available on www.evoting.nSDL.com.
 - c. If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nSDL.co.in mentioning your demat account number/folio number, your PAN, your name and your registered address.
8. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.
9. Now, you will have to click on "Login" button.
10. After you click on the "Login" button, Home page of e-Voting will open.

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

1. After successful login at Step 1, you will be able to see the Home page of e-Voting. Click on e-Voting. Then, click on Active Voting Cycles.
2. After click on Active Voting Cycles, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle is in active status.

3. Select “EVEN” of the Company.
4. Now you are ready for e-Voting as the Voting page opens.
5. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on “Submit” and also “Confirm” when prompted.
6. Upon confirmation, the message “Vote cast successfully” will be displayed.
7. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
8. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

General Guidelines for shareholders:

1. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail at rupawala_ca@yahoo.co.in to with a copy marked to evoting@nsdl.co.in.
2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the “[Forgot User Details/Password?](#)” or “[Physical User Reset Password?](#)” option available on www.evoting.nsdl.com to reset the password.

Please note the following:

A member may participate in the AGM even after exercising his right to vote through remote e-voting but shall not be allowed to vote again at the AGM.

A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of remote e-voting as well as voting at the AGM through ballot paper.

The Chairman shall, at the AGM, at the end of discussion on the resolutions on which voting is to be held, allow voting with the assistance of scrutinizer, by use of ballot paper for all those members who are present at the AGM but have not cast their votes by availing the remote e-voting facility.

The Scrutinizer shall after the conclusion of voting at the general meeting, will first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall make, not later than three days of the conclusion of the AGM, a consolidated scrutinizer’s report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith

Other information:

- Your login id and password can be used by you exclusively for e-voting on the resolutions placed by the companies in which you are the shareholder.
- It is strongly recommended not to share your password with any other person and take utmost care to keep it confidential.

In case of any queries, you may refer to the Frequently Asked Questions (FAQs) for members and e-voting user manual for members available at the Downloads sections of <https://www.evoting.nsdl.com> or contact NSDL at the following toll free no.: 1800-222-990.

Contact Details :

Company

1 B/4, K B Complex, Dairy Road, Mehsana Gujarat 384002
Phone: (02762) 255282
Email: hilltonegases@yahoo.com

Registrar and Transfer Agent

MCS Share Transfer Agent Limited

201, Shatdal Complex, 2nd Floor, Opp. Bata Show Room,
Ashram Road, Ahmedabad – 380 009
Phone: (079) 26582878
E-mail: mcssta@gmail.com

E-Voting Agency

National Securities Depository Limited

E-mail: evoting@nsdl.co.in

Scrutiniser

Mr. D A Rupawala

Practicing Chartered Accountant
E-mail: rupawala_ca@yahoo.co.in

HILLTONE SOFTWARE AND GASES LIMITED

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

BOARD REPORT

To
The Members of,
HILLTONE SOFTWARE AND GASES LIMITED

Your Directors have pleasure in submitting their **Twenty-Sixth** Annual Report of the Company together with the Audited Statements of Accounts for the year ended 31st March, 2019.

1. FINANCIAL RESULTS

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

The financial performance of the Company, for the financial year ended on 31 March 2019 is summarized below:

(In Rs)

PARTICULARS	<u>2018-19</u>	<u>2017- 2018</u>
Total Income including other income	4,01,57,530	36,334,186
Profit before financial cost, depreciation and taxation	13,51,282	2,322,608
Less: Financial Cost	4,79,960	283,387
Less : Depreciation	2,10,377	438,863
Less: Provision of taxation		
Current Tax (Net)	-	304948
Deferred Tax/MAT Entitlement	-	(304948)
Profit for the year	6,60,945	1,600,358
Other Comprehensive Income	-	-

2. REVIEW OF BUSINESS OPERATIONS AND FUTURE PROSPECTS

The Company was able to achieve Sales including other income of Rs. 401.57 Lacs as compared to Rs. 363.34 Lacs for the Previous Year. The Net Profit after making the provision for Depreciation and Taxation stood at Rs. 6.61 Lacs as against Rs. 16.00 Lacs for the previous year.

During the year company has incurred total Capital Expenditure of Rs 25,39,107/-

2. SHARE CAPITAL

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

3. DIVIDEND

In view of the future expansion plans, the Board of Directors have not recommended any dividend on the Equity Share Capital of the Company for the financial year ended 31st March, 2019.

TRANSFER OF UNCLAIMED DIVIDEND TO INVESTOR EDUCATION AND PROTECTION FUND

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

4. TRANSFER TO RESERVES:

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

5. FINANCE :

Cash and Cash equivalent as at March 31, 2019 was Rs. 14,20,206. The company continues to focus on adjusting management of its working capital, Receivable, purchases and other working capital parameters were kept under strict check through continuous monitoring.

6. DEPOSIT

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

amount on account of principal or interest on public.

7. ADEQUACY OF INTERNAL FINANCIAL CONTROLS

Your Company has established adequate internal financial control systems to ensure reliable

financial reporting and compliance with laws and regulations. All resources are put to optimal use and adequately protected against any loss.

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

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

8. MANAGEMENT DISCUSSION AND ANALYSIS

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

9. CORPORATE GOVERNANCE

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

However, the report on Corporate Governance as required under Regulation 34 (3) read with Schedule V of SEBI (Listing Obligation & Disclosure Requirements) Regulation, 2015 is not provided pursuant to Regulation 15 of SEBI (Listing Obligations & Disclosure Requirements) Regulation, 2015. The report on Corporate Governance is not required to be prepared by your Company since the basic test for applicability of such regulation with criteria for

paid up equity share capital of Rs. 10.00 Crores and net worth of Rs. 25.00 Crores has not crossed as on the last date of the previous financial year.

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

10. ANNUAL SECRETARIAL COMPLIANCE REPORT

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

11. EXTRACT OF ANNUAL RETURN:

The extract of annual return in Form MGT-9 as required under Section 92 of the Companies Act, 2013 read with Rule 12 of the Companies (Management and Administration) Rules, 2014 forms an integral part of this Report and is annexed as **Annexure B**

12. 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.

All related party transactions are periodically placed before the audit committee for its approval. 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. Your Directors draw attention of the shareholders to Note No. 28 of the financial statement which sets out related party disclosures.

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

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

PARTICULARS OF EMPLOYEES:

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

14. BOARD OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

Appointment and Resignation of Directors

During the F.Y 2018-19, the following appointment and resignation were made in the Company:.

- a) Mr. Narendra Bhogilal Shah, Non Executive Director of the Company ,has tendered his

- b) resignation with effect from close of business hours of 1st August,2018 and the board has accepted his resignation in its meeting held on 1st August,2018 ,
- c) Mr. Amit Kumar Trivedi was appointed as additional director (non executive &
- d) Independent) on the Board of the Company w.e.f. 22nd August,2018 to hold office till the conclusion of the this Annual General Meeting and members approval was also granted at the 25th Annual General Meeting held on 29.09.2018 for appointment of Mr.
- e) Amit Kumar Trivedi as an Independent Director to hold office for a term upto 5 years consecutive years and
- f) Mr. Dinesh Bhogilal Shah, Non Executive Director Independent director of the Company ,has tendered his resignation with effect from close of business hours of 4th September,2018 and the board has accepted his resignation in its meeting held on 4th September,2018.

Directors appointed after the close of financial year till date of report:

1. Mr. Shaileshkumar Ambalal Patel (DIN: 08453992) were appointed as additional director (non executive & Independent) on the Board of the Company whose appointment was approved by the board as Additional Director Non executive –Independent in their meeting held on 16th May,2019 to hold office till the conclusion of the this Annual General Meeting and subject to the your appointment, for appointment as an Independent Director to hold office for a term upto 5 years consecutive years till 16th May ,2024.

2. Mr. Sunil Vishnuprasad Purohit (DIN: 08454069) were appointed as additional director (non executive & Independent) on the Board of the Company whose appointment was approved

by the board as Additional Director Non executive –Independent in their meeting held on 16th May,2019 to hold office till the conclusion of the this Annual General Meeting and subject to the your appointment, for appointment as an Independent Director to hold office for a term upto 5 years consecutive years till 16th May ,2024.

None of the Directors of the Company is disqualified for being appointed as Director as specified in Section 164 (2) of the Companies Act, 2013.

CEO/CFO Certification

The requisite certification from the Managing Director and Chief Financial Officer required to be given under Regulation 17(8) read with Part B of Schedule II of SEBI (LODR) Regulations, 2015. The aforesaid certificate, duly signed by the Managing Director and Chief Financial Officer in respect of the financial year ended 31 March 2019, has been placed before the Board.(Annexure D)

Retirement by Rotations

In accordance with the provisions of section 152 (6) of the Act and in terms of the Articles of Association of the Company, Mr. Parulben Niketkumar Shah (DIN: 07126594) will retire by rotation at the ensuing Annual General Meeting and being eligible, offers herself for re-appointment. The board recommends her re-appointment.

Profile of Directors Seeking Appointment / Re-appointment

As required under Regulation 36 (3) of the SEBI (LODR) Regulations, 2015, particulars of Directors seeking appointment / re-appointment at the ensuing Annual General Meeting are annexed to Annexure I of the notice convening 26th Annual General Meeting.

Training of Independent Directors

To familiarise the new inductees with the strategy, operations and functions of our Company, the executive directors / senior managerial personnel make presentations to the inductees about the Company's strategy, operations, product and service offerings,

organisation structure, finance, human resources, technology, quality and facilities. Further, the Company has devised a Familiarisation Program for Independent Directors as per Regulation 46 (2) of SEBI (Listing Obligations and Disclosures Requirements)

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

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

Key Managerial Personnel

Pursuant to Section 203 of the Companies Act 2013, the following are the Key Managerial Personnel of the Company as on 31st March, 2019:

Mr. Niket Shah	Managing Director
Mr. Hital M. Shah	Whole time Director
Ms. Abira Mansuri	Company Secretary
Mr. Anil Shobha Ram Kumar	CFO

Ms. Abira Idris Mansuri is appointed as Company Secretary and Compliance officer at the board meeting held on 01.08.2018 with effect from 01.08.2018.

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

During the year, the evaluation of the annual performance of individual directors including the

Chairman of the Company and Independent Directors, Board and Committees of the Board was carried out under the provisions of the Act and relevant Rules and the Corporate Governance requirements as prescribed under Regulation 17 of Listing Regulations, 2015 and the circular issued by SEBI dated 5 January 2017 with respect to Guidance Note on Board Evaluation. The Nomination and Remuneration Committee had approved the indicative criteria

for the evaluation based on the SEBI Guidance Note on Board Evaluation.

The Exercise was carried out through a structured evaluation process covering the various aspects of the Board's functioning such

as composition of board & committees, experience & competencies, performance of specific duties & obligations, governance issues etc.

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

Board of Director Meetings

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

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

- quarterly and annual result announcements;
- oversight of the performance of the business;

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

The notice of Board meeting is given well in advance to all the Directors. Usually, meetings of

the Board are held in Mehsana. The Agenda of the Board Meetings is set by the Company Secretary in consultation with the Chairman and the Managing Director and Whole time Director

of the Company. The Agenda is circulated a week prior to the date of the meeting. The Board Agenda includes an Action Taken Report comprising the actions emanating from the Board Meetings and status update thereof. The Agenda for the Board Meetings covers items set

out as per the guidelines in Listing Regulations to the extent it is relevant and applicable. The Agenda for the Board Meetings include detailed notes on the items to be discussed at the meeting to enable the Directors to take an informed decision.

Prior approval from the Board is obtained for circulating the Agenda items with shorter notice for matters that form part of the Board Agenda and are considered to be in the nature of Unpublished Price Sensitive Information.

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

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

30th May 2018, 30th June 2018 , 1st August,2018, 10th August,2018 , 22nd August,2018, 4th

September,2018, 5th November,2018, 15th November,2018, 1st December,2018, 21st January,2018 and 30th March,2019. The maximum gap between two meetings was not more than 120 days

COMMITTEES OF BOARD OF DIRECTORS

The Board of Directors has constituted Board Committees to deal with specific areas and activities which concern the Company and requires a closer review. The Board Committees are formed with approval of the Board and

function under their respective Charters. These Committees play an important role in the overall management of day-to-day affairs and governance of the Company. The Board Committees meet at regular intervals and take necessary steps to perform its duties entrusted

by the Board. The Minutes of the Committee Meetings are placed before the Board for noting.

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

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

a. AUDIT COMMITTEE

The composition of the Audit Committee is in alignment with the provisions of Section 177 of the companies Act, 2013 read with the Rules issued there under and Regulation 18 of the SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015.

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

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

MEETING AND ATTENDANCE

During the Financial Year ended 31st March, 2019, the Audit Committee met Four times in a

year as follows and the requisite Quorum was present .

- | | | |
|---------------|---------------|---------------|
| 1) 10.05.2018 | 2) 14.08.2018 | 3) 10.11.2018 |
| 4) 21.01.2019 | | |

b. NOMINATION & REMUNERATION COMMITTEE

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

MEETING AND ATTENDANCE

During the Financial Year ended 31st March, 2018, the Nomination & Remuneration Committee met thrice in a year on 1st April, 2018, 31st July, 2018 and 14th November and the requisite Quorum was present.

c. STAKEHOLDERS RELATIONSHIP COMMITTEE AND SHARE TRANSFER COMMITTEE

The compliance with the provisions of Section 178 of the companies Act, 2013 read with the Rules issued there under and Regulation 20 of

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

There was 10 meetings of Stakeholders Relationship Committee & Share transfer Committee meeting held during the year as under:

- | | | |
|----------------|---------------|---------------|
| 1) 31.08.2018 | 2) 10.09.2018 | 3) 10.10.2018 |
| 4) 29.09.2018 | 5) 10.01.2019 | 6) 20.02.2019 |
| 7) 28.02.2019 | 8) 11.03.2019 | 9) 20.03.2019 |
| 10) 30.03.2019 | | |

16. 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.

17. DECLARATION BY INDEPENDENT DIRECTORS

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

Obligations and Disclosure Requirements) Regulations, 2015.

18. AUDITORS

STATUTORY AUDITOR AND THEIR REPORT

The Board has duly reviewed the Statutory Auditors' Report for the year ended on 31 March 2019 and the observations and comments, appearing in the report are self-explanatory and do not call for any further explanation / clarification by the Board of Directors as provided under section 134 of the Companies Act, 2013.

Pursuant to Section 139 of the Companies Act, 2013 and Rules made thereunder, M/S K.C Parikh & Associates, Chartered Accountants (Firm Registration No. 107550W), were appointed for a period of five years from the conclusion of the 25th Annual General Meeting held on 29th September, 2018 until the conclusion of the 30th Annual General Meeting to be held in the year 2023. Since the requirement of ratification has been done away with, no ratification is proposed for approval of shareholders. any statutory modification(s) or re-enactment(s) thereof for the time being in force).

The Board has duly reviewed the Statutory Auditors' Report for the year ended on 31 March 2019 and the observations and comments, appearing in the report are self-explanatory and do not call for any further explanation / clarification by the Board of Directors as

provided under section 134 of the Companies Act, 2013.

INTERNAL AUDITOR AND THEIR REPORT

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

(Accounts) Rules, 2014, during the year under review the Internal Audit of the functions and activities of the Company was undertaken by the Internal Auditors of the Company by BPA & Co., Chartered Accountants, Ahmedabad (Firm Registration No. 109685W), the Internal Auditors of the Company for F.Y 2018-19.

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

SECRETARIAL AUDITOR AND THEIR REPORT

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial

Personnel) Rules, 2014, the Board of Directors had appointed M/s. ZM & Associates (Proprietor Ms. Zehra Ghadiali) Company secretaries in practice having Membership No. 41416 and COP no. 21325 to undertake the Secretarial Audit of the Company for the FY 2018-19. The Secretarial Audit Report for the FY 2018-19 is annexed to this Directors' Report as **Annexure-E**. The Board of Directors has duly reviewed the Secretarial Auditors' Report and the observations and comments, appearing in the report are self-explanatory and do not call for any further explanation/clarification by the Board of Directors as provided under section 134 of the Act.

COST AUDITORS

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

Compliance Report of the company for the financial year 2018-19.



19. 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.

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

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

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

21. CORPORATE SOCIAL RESPONSIBILITY

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

22. SUBSIDIARIES, JOINT VENTURES AND ASSOCIATE COMPANIES

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

23. VIGIL MECHANISM/ WHISTLE BLOWER POLICY

The Vigil Mechanism of the Company, which also incorporates a whistle blower policy in

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

PREVENTION OF INSIDER TRADING:

Your company has adopted the "Code of Conduct on Prohibition of insider trading "and " Code of Conduct for Directors and Senior Management Personnel" for regulating the

dissemination of Unpublished Price Sensitive Information and trading in security by insiders.

25. PREVENTION OF SEXUAL HARASSMENT OF WOMAN AT WORKPLACE:

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

26. BUSINESS RESPONSIBILITY REPORT:

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

27. 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.

28. DIRECTORS RESPONSIBILITY STATEMENT

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

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

f. the directors had devised proper systems to ensure compliance with the

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

29. STOCK EXCHANGES

The company was under suspension as on the year ended 31st March,2019 on the Calcutta Stock on non-payment of Listing fees. The Company had made application in April 2018 revocating the suspension.

Your directors are happy to announce that Revocation of Suspension order has been received from the Calcutta Stock Exchange by the Company with effect from 4th July 2019. The Company Status is again Listed and members can trade their shares on the exchange.

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

30. RISK MANAGEMENT

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

31. AFFIRMATION AND DISCLOSURE:

All the Members of the Board and the Senior Management Personnel have affirmed their compliance with the Code of Conduct as on 31st

March, 2019 and a declaration to that effect, signed by the Managing Director, forms an integral part of this report and is annexed as **Annexure – G**

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

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

33. SIGNIFICANT AND MATERIAL ORDERS:

There were no significant and material orders passed by any Regulators or courts or Tribunals during the year ended 31st March, 2019 impacting the going concern status and company's operations in future.

34. ACKNOWLEDGEMENTS

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

On behalf of the Board of Directors

NIKET M. SHAH
(Managing Director)
DIN: 00278968

HITAL M. SHAH
(Executive Director)
DIN: 00279026

Date: 13/08/2019
Place: Ahmedabad

ANNEXURE A

MANAGEMENT DISCUSSION ANALYSIS REPORT

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

Your Directors have pleasure in presenting the “Management Discussion and Analysis Report” for the Financial Year ended on 31st March, 2019.

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

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

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

Hilltone Software and Gases Limited has a strong focus on Research and Development for process improvement, cost reduction and new product development. This is evident in the fact that Hilltone continuously modifies its production process to enhance flexibility on the use of various types and quality of the raw materials.

Further, the following information on the economy and industry is based on the various

reports on industry and websites and the Company is not responsible for any discrepancy/error in the information.

B. OVERVIEW OF THE GLOBAL ECONOMY:

After strong growth in 2017 and early 2018, global economic activity slowed notably in the second half of 2018-19. The global economy was projected to grow at 3.9 % in 2018 and 2019. But the scenario was totally different due to the escalation of US–China trade tensions, tighter credit policies in China, some slowdown across developed markets and financial tightening alongside the normalization of monetary policy in the larger advanced economies have all contributed to a significantly weakened global expansion, especially in the second half of 2018. This weakness is expected to continue in the first half of 2019, the

World Economic Outlook (WEO) projects a decline in growth in 2019 for 70 % of the global economy. Global growth, which peaked at close to 4 % in 2017, softened to 3.6 % in 2018, and is projected to decline further to 3.3 % in 2019. (Source: IMF) During 2018 the emerging and developing markets of Asia maintained their steady progress at 6.4%. The Indian economy expanded at 7.1% in 2018 and 6.7% in 2017, whereas China’s growth deteriorated from 6.9% in 2017 to 6.6% in 2018. (Source: IMF)

C. OVERVIEW OF THE INDIAN ECONOMY:

India, the world’s sixth largest economy, remained the fastest growing major economy in FY19. An uptick in private sector investment, strong gross capital formation and improved exports boosted GDP, aided by double-digit growth in private consumption and steady construction activity aided this growth. Consumer confidence improved in the second half of FY19, inching up for two straight quarters. Retail inflation, measured by the Consumer Price Index (CPI), and wholesale inflation, measured by the Wholesale Price Index (WPI), remained in low single digits for the most part of FY19. The Reserve Bank of India (RBI) reverted to its ‘neutral’ stance from ‘calibrated tightening’ (briefly adopted between October and December 2018). The apex bank announced a 25-basis-point cut in the repo rate in its last policy review meeting of FY19 to fast-track growth and improve system liquidity. The government adopted prudent policy measures to contain fiscal deficit in a narrow band.

The Indian rupee remained tepid for most part of the year and hit a low of 74.48 against the US

dollar (USD) due to higher oil prices, improving US yields, weak domestic fundamentals and outflows from domestic markets.

Key macro growth enablers

- Favourable demographics are likely to propel the Indian consumption story
- A stable and reform focussed policy framework will drive business and investment
- Government focus on improving disease control and providing financial support to new farms
- Growing demand for poultry protein

D. INDUSTRY INSIGHT

Indian Industrial and Medical Gas Industry

Industrial gases worldwide grew at around 14 percent in the decade up to 2014 of which Asia-Pacific was the fastest growing market, mainly due to shift of manufacturing base of the world to this area. India is the 10th largest economy in the world in nominal terms but it is the third largest economy in terms of PPP. The global industry size was USD 63 billion in 2008 . With an expected CAGR of 5 percent, the world industry size can be assumed to be USD 80 billion. India has more than 15 per cent of the world's population. If it achieves its rightful place, it should command at least 15 percent of the total industrial gas market, or an annual turnover of around USD 12 billion.

Since liberalisation, GDP growth rate had been varying from 6 to 8 per cent per annum. It is estimated that the industrial gas market grew between 12-18 percent per annum during that period. With the recent deceleration in growth ,

the industrial gases growth has come down to around 8 to 9 percent. But, with the new government in place and with its attention on infrastructural development to push economic growth, the industrial gases growth is likely to go back to a double digit figure in near future.

Industrial gas is required in every segment of manufacturing sector. With the development of integrated steel plants all over the country, there was a spurt in on-site tonnage plants and this had given a big push to industrial gases sales in terms of availability of low-cost surplus gas from captive plants. This trend is likely to continue.

Medical sector had also been growing at around 18 percent per annum. With the push towards medical service expected in rural sector, the medical gases demand may go up. If the new government gives a push towards infrastructure and clear pending projects like POSCO, Arcelor-Mittal, Jindal Steel, etc, these and their downstream industries would increase the demand for industrial gases further. The key driver for industrial gases growth will lie on the knowledge of the application development and application of gases in non-traditional areas like space research, food preservation and distribution, agri processing, etc .

E. OPPORTUNITY AND THREATS

There are a number of challenges being faced by the industry. Electricity is the main input to gases industry. Yet the quality and cost of power remains a problem. The second issue is the

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

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

F. PRODUCT WISE PERFORMANCE

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

(A) Oxygen: Oxygen is required in steel melting, fabrication, copper smelting, medical applications, etc. The use of oxygen improves the thermal efficiency of fuel. As a result, oxygen is used as a method of better energy production from

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

(B) Nitrogen: Nitrogen is an inert material and is used in heat -treatment to create a neutral atmosphere. It is also used for the removal of air from contaminated mines having methane to avoid occurrence of fire. Huge quantities of nitrogen are used in blast furnaces and other furnace applications to make use of its neutral properties. It is also used as a source of nitrogenous fertiliser from ammonia which is obtained from the synthesis of nitrogen with hydrogen. Ammonia is also the starting point of chemicals like nitric acid, hydrazine and amines. Liquid nitrogen is used for cryogenic applications to take advantage of its low temperature properties in many applications like solvent extraction, recycling tires, food and pharmaceutical industry, hospitals, artificial insemination, enhanced oil recovery etc. Your Company manufactures Nitrogen for both medical and Industrial use. The Production in this year has Increased of Nitrogen to cater the high supply in the market.

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

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

growing. Many consider hydrogen as a future source of energy. Hydrogen is also used to remove sulphur from sour crude oil which is gaining ground because of emphasis on environmental protection.

(E) Carbon Dioxide : Gas Carbon Dioxide gas is traded by your Company . CO₂is mainly used in food industry for carbonating beer, soft drinks, etc. Liquid carbon dioxide is used as a refrigerant in food industry. Carbon dioxide gas is used as a de -oxidant/insecticide for food preservation, foundry applications and fire fighting. Solid and liquid carbon-dioxide is used in many cryogenic applications, as in blood storage.

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

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

G. RISK AND CONCERN

Risk is an inherent part of any business. With the slowdown in Global Economic growth and due to the escalation of US–China trade tensions, macroeconomic stress in Argentina and Turkey, disruptions to the auto sector in Germany, tighter credit policies in China, and due to the continuous strengthening of US dollar against Indian Rupee and other currencies. All this has led to a demand recession across the globe, there has been an increase in prices in Indian markets. The input costs are continuously increasing without proportionate rise in selling prices. There are various types of risks that threaten the existence of a Company like Strategic Risk, Business Risk, Finance Risk, Foreign Exchange Risk, Environment Risk, Personnel Risk, Operational Risk, Reputation Risk, Regulatory Risk, Technology Risk, Political Risk, etc.

H. FUTURE SCENARIO

We believe that the application of industrial gases will grow in all areas of manufacturing industry. Products like CNG, LNG and LCNG should join the portfolio since the nature of these products are similar. Shale gas is yet another area for growth of the industry. We think the country has challenges from 3Es, namely Energy, Environment and Eatables. These

areas need a helping hand from the industrial gas industry to solve their problems.

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

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

I. HUMAN RESOURCES

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



J. INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY

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

CONCLUSION

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

On behalf of the Board of Director

NIKET M. SHAH
(Managing Director)
DIN: 00278968

HITAL M. SHAH
(Executive Director)
DIN: 00279026

Date: 13/08/2019
Place: Ahmedabad

ANNEXURE B

**Form No. MGT-9
EXTRACT OF ANNUAL RETURN**
As on the financial year ended on 31.03.2019

[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	:	YES
vii.	Name, Address and Contact Details of Registrar & Transfer Agent, if any	:	MCS Shares Transfer Agent Limited 201, 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, 2018)				No. of Shares held at the end of the year (AS on March 31, 2019)				% Change during the year
	Demat	Physical	Total	% OF Total Shares	Demat	Physical	Total	% Of Total Shares	
A. Promoters									
1) Indian									
a. Individual / HUF	-	1202600	1202600	30.06	1395300	800	1396100	34.90	4.86
b. Central Govt.	-	-	-	-	-	-	-	-	-
c. State Govt.(s)	-	-	-	-	-	-	-	-	-
d. Bodies Corporate	-	-	-	-	-	-	-	-	-
e. Bank/FI	-	-	-	-	-	-	-	-	-
f. Any other	-	-	-	-	-	-	-	-	-
Subtotal (A)(1):	-	1202600	1202600	30.06	1395300	800	1396100	34.90	4.86

Category of Shareholders	No. of Shares held at the beginning of the year (AS on April 1, 2018)				No. of Shares held at the beginning of the year (AS on March 31, 2019)				% Change during the year
	Demat	Physical	Total	% OF Total Shares	Demat	Physical	Total	% Of Total Shares	
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)	-	1202600	1202600	30.06	1395300	800	1396100	34.90	4.86



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	-	189700	189700	25.77	-	189700	189700	25.77	-	-
i. Indian	-	-	-	-	-	-	-	-	-	-
ii. Overseas	-	-	-	-	-	-	-	-	-	-
b. Individuals	-	-	-	-	-	-	-	-	-	-
i. Individual shareholder holding nominal share capital upto ₹2 Lakh	-	1031000	1031000	25.99	78900	938900	1017800	25.44	-0.33	-
ii. Individual shareholder holding nominal	-	1577000	1577000	39.42	-	1396700	1396700	34.91	4.51	-



share capital in excess of ₹2 Lakh										
c. Others (specify)	-	-	-	-	-	-	-	-	-	-
Subtotal (B)(2):	-	2797700	2797700	69.9373	78900	2525300	2604200	57.39	-12.54	
Total Public shareholding (B) = (B)(1) + (B)(2)	-	2797700	2797700	69.9373	78900	2525300	2604200	57.39	-12.54	
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	475200	11.87	-	615500	15.39	-	4
2	Hital M Shah	400000	10.00	-	669800	16.74	-	6.74
3	Mahendra B Shah	306700	7.67	-	-	-	-	-7.67
4	Narendra B. Shah	20700	0.52	-	110800	2.77	-	2.25

Total		1202600	30.0627	-	1396100	34.90	-	4.90

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
1	Niket M Shah	475200	11.87	615500	15.39
2	Hital M Shah	400000	10.00	669800	16.74
3	Mahendra B Shah	306700	7.67	-	-
4	Narendra B. Shah	20700	0.52	110800	2.77
	Total	1202600	30.0627	1396100	34.90

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	475200	11.87		

	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.) At the end of the year			6,15,500	15.39
3.	HITAL MAHENDRA SHAH	400000	10.00		
	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.) At the end of the year			6,69,800	16.74
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	-	-	-	-
6.	ANIL SHOBHA RAM KUMAR	-	-	-	-
	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.) At the end of the year	-	-	-	-
7	AMITKUMAR CHANDRAKANTBHAI TRIVEDI	-	-	-	-
	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.) At the end of the year	-	-	-	-

V. INDEBTEDNESS

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

Particulars	(Rs. inLacs)			
	Secured Loans	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i. Principal Amount	25.25	3.11	-	38.37
ii. Interest due but not paid	-	-	-	-
iii. Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	25.25	3.11	-	38.37
Change in indebtedness during the financial year				
Addition	17.34	6.75	-	24.09
Reduction	-	-	-	-
Net Change	17.34	6.75	-	24.09
Indebtedness at the end of the financial year				
i. Principal Amount	42.59	9.86	-	52.46
ii. Interest due but not paid	-	-	-	0
iii. Interest accrued but not due	-	-	-	0
Total (i+ii+iii)	42.59	9.86	-	52.46

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

(Rs. In Lacs)

Sr. No	Particulars of Remuneration	Name of MD/WTD/Manager		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

(Rs. inLacs)

Sr. No.	Particulars of	Name of Directors			Total Amount
		Mr. NARENDRA BHOGILAL SHAH	Mr. DINESH BHOGILAL SHAH	Mr. PARULBEN NIKETKUMAR SHAH	
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

(Rs. In Lacs)

Sr. No.	Particulars of Remuneration	Key Management Personnel			Total Amount
		Mr. SHOBHA KUMAR	ANIL RAM	Ms. Abira Mansuri *	
1.	Gross Salary				
	a. Salary as per provisions contained in section 17(1) of the Income tax Act, 1961	1.06		1.60	-
	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)	1.06		1.60	-

* Ms. Abira Idris Mansuri was appointed as Company Secretary & Compliance Officer as on 1st Ahugust,2019

VII. PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES:

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	-	-	-	-

ANNEXURE – C

DETAILS OF REMUNERATION OF DIRECTORS, KMPs AND EMPLOYEES

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

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

Sr	Name	Designation	Ratio
1	Niket M. Shah	Managing Director	3.33:1
2	Hital M. Shah	Whole time Director	3.33:1

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

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

c) The percentage increase in the median remuneration of employees in the financial year 2018-19:
NA

d) The number of permanent employees on the rolls of the Company as on 31 March 2019: 14
Employees

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

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

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

On behalf of the Board of Directors

Date: 13/08/2019
Place: Ahmedabad

NIKET M. SHAH
(Managing Director)
DIN: 00278968

HITAL M. SHAH
(Executive Director)
DIN: 00279026

ANNEXURE D

MANAGING DIRECTOR AND CHIEF FINANCIAL OFFICER CERTIFICATION

To,
Board of Directors
Hilltone Software and Gases Limited
Mehsana

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

1. We have reviewed the Balance Sheet and Profit and Loss account, its schedule and notes to the accounts and cash flow statements for the year ended 31 March 2019 and that to the best of our knowledge and belief:

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

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

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

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

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

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

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

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

Date: 13 August 2019
Place: Ahmedabad

Niket M. Shah
Managing Director
(DIN:00278968)

Anil Shobha Ram kumar
Chief Financial Officer

ANNEXURE E SECRETARIAL AUDIT REPORT

To,
The Board of Directors
HILLTONE SOFTWARE AND GASES LIMITED
CIN U72200GJ1993PLC020620
B/4, K B COMPLEX,
DAIRY ROAD,
MEHSANA - 384002.

My Secretarial Audit Report of even date, for financial year 2018-19 is to be read along with this letter.

MANAGEMENT'S RESPONSIBILITY

1. It is the responsibility of the management of the company to maintain Secretarial records, device proper systems to ensure compliance with the provisions of all applicable laws and regulations and to ensure that the systems are adequate and operate effectively.

AUDITOR'S RESPONSIBILITY

2. My responsibility is to express an opinion on these Secretarial records Standards and procedures followed by the Company with respect to Secretarial Compliance.
3. I believe that audit evidence and information obtained from the Company's management is adequate and appropriate for me to provide a basis for my opinion.
4. Wherever required, I have obtained the management's representation about the Compliance of laws, rules and regulations and happening of events etc.

DISCLAIMER

5. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the effectiveness with which the management has conducted the affairs of the Company.
6. I have not verified the correctness and appropriateness of financial records and books of account of the Company.

For Z M & Associates
Company Secretaries

Zehra Murtaza Ghadiali
(Proprietor)
M.No. 41416
CP No. 21325

Place: Ahmedabad
Date: 13.08.2019

Form MR -3
Secretarial Audit Report
(For the Financial year ended 31st March, 2019)

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

To,
The Board of Directors
HILLTONE SOFTWARE AND GASES LIMITED
CIN U72200GJ1993PLC020620
B/4, K B COMPLEX,
DAIRY ROAD,
MEHSANA - 384002.

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **HILLTONE SOFTWARE AND GASES LIMITED (CIN: L72200GJ1993PLC020620)** (hereinafter called the company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in our opinion, the Company has, during the audit financial ended on 31st March, 2019, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial ended on 31st March, 2019 according to the provisions of:

- I. The Companies Act, 2013 (**the Act**) and the Rules made there under;
- II. The Securities Contracts (Regulation) Act, 1956 (**'SCRA'**) and the Rules made there under;
- III. The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- IV. Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- V. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 (**'SEBI Act'**) to the extent applicable to the Company:-
 - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
 - c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; (Not applicable as the company has not issued any further share capital during the period under review)



- d. The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999; (Not applicable to the company during the audit period)
- e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; ((Not applicable as the company has not issued any further share capital during the period under review)
- f. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;(Not applicable as the Company is not registered as Registrar to issue and Share Transfer agent during the financial year under review)
- g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; (Not applicable as there was no reportable event during the financial year under review)
- h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; (Not applicable as there was no reportable event during the financial year under review).

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

- i) Secretarial Standards issued by The Institute of Company Secretaries of India.
- ii) SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Listing Agreements entered into by the Company with Calcutta Stock Exchange Ltd. (Company was under suspension during the financial year under review, suspension revoke on 4th July, 2019).

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

1. The company has not publish quarterly financial results for June Quarter in English and vernacular language news papers.
2. The company has not published quarterly financial results in English news papers.
3. The company has not published notices of the board meetings in English and vernacular language news papers in which quarterly financial results were approved.

I further report that;

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

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

All the Decisions at the Board Meetings, as represented by the management, were taken unanimously.

I further report that;

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

I further report that; during the audit period, there was no instance of;

- (i) Public/Right/Preferential issue of shares / debentures/sweat equity, etc.
- (ii) Redemption / buy-back of securities
- (iii) Major decisions taken by the members in pursuance to section 180 of the Companies Act, 2013
- (iv) Merger / amalgamation / reconstruction, etc.
- (v) Foreign technical collaborations.

Place: Ahmedabad
Date: 13.08.2019

For **Z M & Associates**
Company Secretaries

Zehra Murtaza Ghadiali
(Proprietor)
M.No. 41416
CP No. 21325

ANNEXURE 'F'

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

A. CONSERVATION OF ENERGY

a. Energy conservation measures:

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

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

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

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

Consumption of energy has been optimised to the extent possible.

d. Total energy consumption per unit of production.

			<u>2018-19</u>	<u>2017-18</u>
1	Electricity Purchased			
	Units	Kwh	63420	68020
	Total amount	Rs.	482160	518451
	Rate / Unit	Rs.	7.60	7.62
	Own Generation			
	Through Diesel Generator			
	Units			
	Unit per ltr of Diesel Oil		NIL	NIL
	Cost / Unit		NIL	NIL
	Through Steam Turbine Generator		NIL	NIL
	Units			
	Diesel :			
	Quantity		NIL	NIL
	Total Amount	Ltrs	NIL	NIL
	Average rate	Rs.	NIL	NIL
		Rs.		

B TECHNOLOGY ABSORPTION

1. Research and Development (R & D):

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

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

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

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

(c) Future plan of action:

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

(d) Expenditure on R & D:

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

2. Technology Absorption, Adaption & Innovation

(a) Efforts made:

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

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

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

C. FOREIGN EXCHANGE EARNINGS AND OUTGO

Particulars	2018-19	2017-18
Foreign Exchange Earned	-	-
Foreign Exchange Used	-	-

On behalf of the Board of Directors

Date: 13/08/2019
Place: Ahmedabad

NIKET M. SHAH
(Managing Director)
DIN: 00278968

HITAL M. SHAH
(Executive Director)
DIN: 00279026



Annexure – G

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

I do hereby declare that pursuant to Schedule V (D) read with Regulation 34(3) of the Listing Regulations, all the Board Members and Senior Management Personnel of the Company have affirmed compliance with the Company's Code of Conduct for the financial year ended March 31, 2019.

On behalf of the Board of Directors

NIKET M. SHAH
(Managing Director)
DIN: 00278968

Date: 13/08/2019
Place: Ahmedabad

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 2019, 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 the Accounting Standards prescribed under section 133 of the Act read with the Companies (Accounting Standards) Rules, 2006, as amended ("Accounting Standards") and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March 2019, 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'.

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 Accounting Standards 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 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 31st March, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2019 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, 2016 ("the Order") issued by the Central Government of India in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

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

Date : 30/05/2019
Place : Ahmedabad

CA. Chintan M. Doshi
Partner
M.No. : 118298

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 2019 in conjunction with our audit of the Standalone Financial Statements of the Company for the period ended and as on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India (the 'Guidance Note'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

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

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

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

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Standalone Financial Statements for external purposes in accordance with generally accepted accounting

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

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

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

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

Date : 30/05/2019
Place : Ahmedabad

CA. Chintan M. Doshi
Partner
M.No. : 118298

HILLTONE SOFTWARE & GASES LIMITED

Balance Sheet as at March 31, 2019

(Amount INR)

Particulars	Notes	As at March 31, 2019	As at March 31, 2018
I. ASSETS			
Non-current Assets			
(a)Property, plant and equipment	2	243,44,006	220,09,375
(b)Intangible assets	3	13,956	19,856
(c)Financial assets			
(i)Investments	4	1,14,000	98,000
(ii)Loan		-	-
(iii)Other financial assets	5	10,01,193	12,10,482
(d)Other non-current financial assets	6	130,61,358	118,30,702
(e)Non current tax assets (net)	7	1,49,075	87,094
(f)Deferred tax assets (net)	15	1,21,137	1,21,137
		388,04,725	353,76,646
Current Assets			
(a)Inventories	8	39,29,990	36,24,884
(b)Financial assets			
(i)Trade receivables	9	96,09,910	75,68,478
(ii)Cash and cash Equivalents	10	14,20,206	12,60,913
(iii)Other financial assets			
(c)Other current assets	11	7,63,751	6,78,966
		157,23,857	131,33,241
TOTAL		545,28,582	485,09,888
II. EQUITY AND LIABILITIES			
Equity			
(a)Share capital	12	400,03,000	400,03,000
(b)Other equity	13	14,06,391	7,45,446
		414,09,391	407,48,446
Non-current Liabilities			
(a)Financial liabilities			
(i)Other financial liabilities	16	14,89,924	10,74,955
		14,89,924	10,74,955
Current Liabilities			
(a)Financial liabilities			
(i)Borrowings	14	52,46,068	28,37,087
(ii)Trade payables	17	62,76,457	34,39,823
(iii)Other financial liabilities	16	1,06,743	4,09,577
		116,29,268	66,86,487
TOTAL		545,28,582	485,09,888

Summary of Significant Accounting Policies

1

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 M. Doshi

Partner

Membership No.: 118298

NIKET M. SHAH

Managing Director

DIN:00278968

HITAL M. SHAH

Executive Director

DIN:00279026

ABIRA I.MANSURI

Company Secretary

Mem. No:42410

ANIL SHARMA

Chief Financial officer

Place: Ahmedabad

Date: 30/05/2019

HILLTONE SOFTWARE & GASES LIMITED
Statement of Profit and Loss for the Year ended March 31, 2019

		(Amount INR)	
Particulars	Notes	2018-19	2017-18
Income			
Revenue from operations	18	387,76,081	332,63,262
Changes in work-in-progress	19	3,05,106	6,62,432
Other income	20	10,76,343	24,54,722
Total Income (I)		401,57,530	363,80,416
Expenses:			
Purchases of Stock-in-trade	21	272,92,687	239,61,075
Employee benefits expenses	22	46,64,344	46,95,433
Finance cost	23	4,79,960	2,83,387
Other expenses	24	68,49,217	54,01,300
Depreciation and amortisation expenses	2/3	2,10,377	4,38,863
Total Expenses (II)		394,96,585	347,80,058
Profit before Tax (I)-(II)		6,60,945	16,00,358
Tax Expenses			
Current tax		-	3,04,948
(Excess)/short income tax			
Deferred tax			
MAT credit entitlement		-	(3,04,948)
Profit for the year		6,60,945	16,00,358
Other comprehensive income			
Items that will not be reclassified subsequently to profit or loss			
Actuarial (loss) / Gain relating to Leave and Gratuity		-	-
Income tax effect		-	-
Net other comprehensive income not to be reclassified subsequently to profit or loss		-	-
Total comprehensive income for the year		6,60,945	16,00,358
Earnings per equity share of Face Value Rs 10 each: Basic and Diluted (in INR)	29	0.02	0.40

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

1

As per our report of even date

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

Chintan M. Doshi
Partner
 Membership No.: 118298

Place: Ahmedabad

Date: 30/05/2019

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

NIKET M. SHAH
 Managing Director
 DIN:00278968

HITAL M. SHAH
 Executive Director
 DIN:00279026

ABIRA I.MANSURI
 Company Secretary
 Mem. No:42410

ANIL SHARMA
 Chief Financial officer

HILLTONE SOFTWARE & GASES LIMITED
Cash Flow Statement For the year ended March 31, 2019

(Amount INR)

PARTICULARS	2018-19	2017-18
<u>CASH FLOW FROM OPERATION ACTIVITIES :</u>		
Profit before tax	6,60,945	16,00,358
Non Cash Expenses / Incomes :-	2,10,377	(9,22,963)
Depreciation	2,10,377	4,38,863
Long term capital gain on sale of Land	-	(13,61,826)
Considered Under Different Head :-	(5,96,383)	(6,94,139)
Finance cost	4,79,960	2,83,387
Interest income	(10,61,493)	(9,62,676)
Dividend income	(14,850)	(14,850)
Changes in Working Capital	16,95,770	1,94,383
Trade receivables	(20,41,432)	8,30,209
Inventory	(3,05,106)	(6,62,432)
Other current assets	(84,785)	12,21,387
Trade payables	28,36,634	(3,66,480)
Short term borrowing	24,08,981	(14,28,440)
Other financial liabilities	(3,02,834)	3,60,334
Deposit from vendors received	4,14,969	4,83,330
Other non-current assets	(12,30,656)	(2,43,525)
Direct taxes paid (net)	(61,981)	(3,04,948)
NET CASH FROM OPERATING ACTIVITIES	19,08,729	(1,27,310)
<u>CASH FLOWS FROM INVESTING ACTIVITIES :</u>		
Interest received	10,61,493	9,62,676
Dividend income received	14,850	14,850
Purchase of tangible and intangible assets including CWIP	(25,39,107)	(1,59,137)
Proceeds from sale of property, plant and equipment	-	19,30,000
Investment in shares	(16,000)	-
Change in fixed deposits with accrued interest	2,09,289	(12,10,482)
NET CASH GENERATED IN INVESTING ACTIVITIES	(12,69,475)	15,37,907
<u>CASH FLOW FROM FINANCING ACTIVITIES :</u>		
Finance Cost paid	(4,79,960)	(2,83,387)
Term loans from banks taken/(repayment)	-	-
NET CASH FLOWS USED IN FINANCING ACTIVITIES	(4,79,960)	(2,83,387)
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS	1,59,293	11,27,210
Cash and cash equivalents at the beginning of the period	12,60,913	1,33,703
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	14,20,206	12,60,913
Components of cash and cash equivalents (Refer note 12)		
Cash on hand	13,62,581	11,18,525
Balance with banks	57,625	1,42,388
TOTAL	14,20,206	12,60,913

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 M. Doshi
Partner
Membership No.: 118298

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

NIKET M. SHAH
Managing Director
DIN:00278968

HITAL M. SHAH
Executive Director
DIN:00279026

ABIRA I.MANSURI
Company Secretary
Mem. No:42410

ANIL SHARMA
Chief Financial office

Place: Ahmedabad
Date: 30/05/2019

HILLTONE SOFTWARE & GASES LIMITED

NOTE 2 :- PROPERTY, PLANT AND EQUIPMENT AND CAPITAL WORK-IN-PROCESS

Amount in INR

Particulars	Factory Buildings	Plant and Equipment	Computer	Furniture & Fixtures	Office Equipment	Vehicle	Total	Land*
Gross carrying amount								
As at April 01, 2017	59,94,117	114,13,918	4,76,637	7,75,964	2,50,663	6,22,986	195,34,285	162,28,500
Additions	-	1,59,137	-	-	-	-	1,59,137	-
Disposals	-	-	-	-	-	-	-	19,30,000
As at March 31, 2018	59,94,117	115,73,055	4,76,637	7,75,964	2,50,663	6,22,986	196,93,422	142,98,500
Additions	-	12,28,901	52,938	1,33,561	62,348	10,61,359	25,39,107	
Disposals							-	
As at March 31, 2019	59,94,117	128,01,956	5,29,575	9,09,526	3,13,011	16,84,345	222,32,530	142,98,500
Accumulated depreciation							-	-
As at April 01, 2017	34,23,271	66,49,818	4,26,611	6,39,267	2,38,130	1,69,537	115,46,634	-
Depreciation	1,11,502	2,92,696	19,025	12,690	-	-	4,35,913	
Disposals								
As at March 31, 2018	35,34,773	69,42,514	4,45,636	6,51,957	2,38,130	1,69,537	119,82,547	-
Depreciation	-	1,00,678	16,809	7,086	4,013	75,890	2,04,477	-
Disposals	-	-	-	-	-	-	-	-
As at March 31, 2019	35,34,773	70,43,192	4,62,445	6,59,043	2,42,143	2,45,427	121,87,024	-
Net carrying amount								
As at March 31, 2018	24,59,344	46,30,541	31,001	1,24,007	12,533	4,53,449	77,10,875	142,98,500
As at March 31, 2019	24,59,344	57,58,764	67,129	2,50,483	70,868	14,38,918	100,45,506	142,98,500

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

HILLTONE SOFTWARE & GASES LIMITED

NOTE 3 :- INTANGIBLE ASSETS

Amount in INR

Particulars	Computer software (for cylinders)	Total
Gross carrying amount		
As at April 01, 2017	50,501	50,501
Additions	-	-
Disposals	-	-
As at March 31, 2018	50,501	50,501
Additions	-	-
Disposals	-	-
As at March 31, 2019	50,501	50,501
Accumulated depreciation		-
As at April 01, 2017	27,695	27,695
Depreciation	2,950	2,950
Disposals	-	-
As at March 31, 2018	30,645	30,645
Depreciation	5,900	5,900
Disposals	-	-
As at March 31, 2019	36,545	36,545
Net carrying amount		
As at March 31, 2018	19,856	19,856
As at March 31, 2019	13,956	13,956

HILLTONE SOFTWARE & GASES LIMITED
Notes to the financial statement as at March 31, 2019

NOTE 4 NON CURRENT INVESTMENTS

Particulars	March 31, 2019	March 31, 2018
A. Investment in Others, at cost:-		
1) Investment in Equity Instrument - Unquoted, fully paid up		
The Mehsana Urban Co Op Bank Ltd	1,14,000	98,000
TOTAL	1,14,000	98,000
Particulars	March 31, 2019	March 31, 2018
	Cost	Cost
	Rupees	Rupees
QUOTED	-	-
UNQUOTED	1,14,000	98,000

NOTE 5 OTHER FINANCIAL ASSETS

Particulars	March 31, 2019	March 31, 2018
Fixed deposits with Banks	10,01,193	12,10,482
TOTAL	10,01,193	12,10,482

NOTE 6 OTHER NON-CURRENT FINANCIAL ASSETS

Particulars	March 31, 2019	March 31, 2018
Security deposits (Deposits with suppliers)	130,61,358	118,30,702
TOTAL	130,61,358	118,30,702

NOTE 7 NON-CURRENT TAX ASSETS

Particulars	March 31, 2019	March 31, 2018
Advance Income Tax (net of Provisions for taxation)	1,49,075	87,094
TOTAL	1,49,075	87,094

NOTE 8 INVENTORIES

Particulars	March 31, 2019	March 31, 2018
Finished goods	39,29,990	36,24,884
TOTAL	39,29,990	36,24,884

NOTE 9 TRADE RECEIVABLES

Particulars	March 31, 2019	March 31, 2018
Unsecured- Considered Good -Above 6 Months		
From Others	-	14,26,585
From Related Parties	-	-
Unsecured- Considered Good -Below 6 Months		
From Others	96,09,910	61,36,584
From Related Parties	-	5,309
TOTAL	96,09,910	75,68,478

NOTE 10 CASH AND BANK BALANCES

Particulars	March 31, 2019	March 31, 2018
Cash and cash Equivalents		
Cash on Hand	13,62,581	11,18,525
Balances with Schedule Banks:		
In Current accounts	57,625	1,42,388
TOTAL	14,20,206	12,60,913

NOTE 11 OTHER CURRENT ASSETS

Particulars	March 31, 2019	March 31, 2018
Advances to Vendors		
Others	54,311	35,154
Other Loans and Advances		
Advance to Employees	86,347	17,000
Other Receivables	6,23,093	6,26,812
TOTAL	7,63,751	6,78,966

HILLTONE SOFTWARE & GASES LIMITED
Notes to the financial statement as at March 31, 2019

NOTE 12 SHARE CAPITAL

EQUITY SHARE CAPITAL	March 31, 2019		March 31, 2018	
	No. of Shares	Amount in Rs.	No. of Shares	Amount in Rs.
Authorised Shares Equity Shares of Rs. 10 each	50,00,000	500,00,000	50,00,000	500,00,000
TOTAL	50,00,000	500,00,000	50,00,000	500,00,000
Issued, Subscribed and Fully Paid-up Shares Equity Shares of Rs. 10 each fully paid- up	40,00,300	400,03,000	40,00,300	400,03,000
TOTAL	40,00,300	400,03,000	40,00,300	400,03,000

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

EQUITY SHARE CAPITAL	March 31, 2019		March 31, 2018	
	No. of Shares	Amount in Rs.	No. of Shares	Amount in Rs.
Equity Shares				
At the Beginning of the year	40,00,300	400,03,000	40,00,300	400,03,000
Add: Issued During the Year	-	-	-	-
Outstanding at the End of the year	40,00,300	400,03,000	40,00,300	400,03,000

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

Particulars	March 31, 2019		March 31, 2018	
	No. of Equity Sh.	% Holding	No. of Equity Sh.	% Holding
NIKET M. SHAH	4,71,900	11.80	4,71,900	11.80
HITAL M. SHAH	3,87,700	9.69	3,87,700	9.69
MAHENDRA B. SHAH	3,07,200	7.68	3,07,200	7.68
NARENDRA B. SHAH	2,99,200	7.48	2,99,200	7.48

(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, 2019	March 31, 2018
(a) Capital Reserves*		
Balance as per Last Financial Statements	9,66,342	9,66,342
Addition	-	-
Closing Balance	9,66,342	9,66,342
(b) Other Reserves**		
Balance as per Last Financial Statements	128,55,397	142,17,223
Addition (Deduction)	-	(13,61,826)
Closing Balance	128,55,397	128,55,397
(c) Surplus		
Balance as per Last Financial Statements	(130,76,293)	(146,76,651)
Net Profit for the year	6,60,945	16,00,358
Other comprehensive income	-	-
Less: Appropriations:		
Final Dividend on Equity shares	-	-
Tax on Dividend on Equity shares	-	-
Net Surplus in the Statement of Profit and Loss	(124,15,348)	(130,76,293)
GRAND TOTAL	14,06,391	7,45,446

*Capital Investment Subsidy from State Government

** not available for distribution as dividend

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

HILLTONE SOFTWARE & GASES LIMITED
Notes to the financial statement as at March 31, 2019

NOTE 14 BORROWINGS

Particulars	Non Current Portion		Current Portion	
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
Loans from NBFCs	-	-	9,10,892	-
Loans from Related Parties (Refer Note 31)	-	-	75,416	3,11,222
Bank Overdraft Facilities**	-	-	42,59,760	25,25,865
The above amount includes:-				
Secured Borrowings**	-	-	42,59,760	25,25,865
Unsecured Borrowings	-	-	9,86,308	3,11,222
TOTAL	-	-	52,46,068	28,37,087

** Working Capital facilities are secured against Stock and Book debt

NOTE 15 DEFERRED TAX ASSET (NET)

Particulars	March 31, 2019	March 31, 2018
Deferred Tax Liability		
Accelerated depreciation for tax purpose	-	-
Gross Deferred Tax Liabilities	-	-
Deferred Tax Asset		
MAT credit entitlement	1,21,137	1,21,137
Other Timing Difference		
Provision for post retirement benefits and other employee benefit:	-	-
Gross Deferred Tax Assets	1,21,137	1,21,137
Deferred Tax Liabilities/(Assets) (Net)	(1,21,137)	(1,21,137)

NOTE 16 OTHER FINANCIAL LIABILITIES

Particulars	Non Current Portion		Current Portion	
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
Security Deposits from Vendor	14,89,924	10,74,955	-	-
Statutory dues including Provident Fund & Tax deducted at Source	-	-	1,06,743	4,09,577
Total	14,89,924	10,74,955	1,06,743	4,09,577

NOTE 17 TRADE PAYABLES

Particulars	March 31, 2019	March 31, 2018
Dues to Related Parties (Refer Note 31)	(1,068)	2,13,174
Dues to MSME vendors	33,09,852	-
Other Trade Payables	29,67,673	32,26,649
TOTAL	62,76,457	34,39,823

HILLTONE SOFTWARE & GASES LIMITED

Notes to the financial statement as at March 31, 2019

NOTE 18 REVENUE FROM OPERATIONS

Particulars	For the year ended 31 March, 2019	For the year ended 31 March, 2018
Sale of products	380,30,250	327,42,803
Other operating revenues	7,45,831	5,20,459
TOTAL	387,76,081	332,63,262
Sale of Products includes:		
1. Sale of Oxygen & Other Gases	380,30,250	327,42,803
Other Operating Income includes:		
1. Cylinder Printing Income	3,870	2,640
2. Cylinder Maintenance Income	33,337	13,920
3. Cylinder Rent Income	3,92,475	3,82,825
4. Cylinder Flashing	1,149	1,074
5. Shed Rent	3,15,000	1,20,000
TOTAL	7,45,831	5,20,459

NOTE 19 CHANGE IN INVENTORIES OF FINISHED GOODS

Particulars	For the year ended 31 March, 2019	For the year ended 31 March, 2018
Closing Finished Goods- Traded items	39,29,990	36,24,884
Opening Finished Goods- Traded items	36,24,884	29,62,452
CHANGE IN INVENTORIES OF FINISHED GOODS	3,05,106	6,62,432

NOTE 20 OTHER INCOME

Particulars	For the year ended 31 March, 2019	For the year ended 31 March, 2018
Interest income:		
Deposits with banks	49,919	49,499
Others	10,11,574	9,13,177
Dividend income:		
Shares	14,850	14,850
Creditors written off		73,370
Long term capital gain on sale of Land	-	13,61,826
Other income	-	42,000
TOTAL	10,76,343	24,54,722

NOTE 21 PURCHASES OF STOCK-IN-TRADE

Particulars	For the year ended 31 March, 2019	For the year ended 31 March, 2018
Purchases of Stock-in-Trade	272,92,687	239,61,075
TOTAL	272,92,687	239,61,075

NOTE 22 EMPLOYEE BENEFITS

Particulars	For the year ended 31 March, 2019	For the year ended 31 March, 2018
Salaries, wages and bonus	34,62,599	34,95,433
Director's Remuneration	12,00,000	12,00,000
Staff welfare expenses	1,745	-
TOTAL	46,64,344	46,95,433

NOTE 23 FINANCE COST

Particulars	For the year ended 31 March, 2019	For the year ended 31 March, 2018
Interest expense	4,57,531	2,79,017
Bank charges	22,429	4,370
TOTAL	4,79,960	2,83,387

HILLTONE SOFTWARE & GASES LIMITED

Notes to the financial statement as at March 31, 2019

NOTE 24 OTHER EXPENSES

Particulars	<i>For the year ended 31 March, 2019</i>	<i>For the year ended 31 March, 2018</i>
Bad Debts	-	8,11,500
Cylinder Rent expenses	11,52,753	-
Commission expenses	1,500	1,39,644
Communication expenses	81,058	56,738
Diesel expenses	15,58,725	13,46,106
Donation	-	52,000
Electricity expenses	5,05,809	5,46,764
Factory Maintenance Expenses	3,27,408	1,14,150
Insurance -Others	39,095	32,562
Kasar A/c	1,20,845	4,49,940
Legal and Consultancy Fees	10,45,015	4,68,351
Other Expenses	5,60,857	2,34,860
Payment to Auditors*	45,000	45,000
Printing & Stationery	99,263	48,573
Repair and Maintenance-Others	3,61,023	2,68,945
Security Charges	1,62,516	95,428
Software expenses	9,786	49,740
Transportation Exp.	5,78,811	5,69,578
Travelling expenses	1,99,754	71,420
TOTAL	68,49,217	54,01,300
*Details of Payment to Auditors		
-Audit Fees	30,000	30,000
-Taxation matters	15,000	15,000
-Other Services		-

Note 25: FINANCIAL INSTRUMENTS

(i) Financial assets and liabilities

	March 31, 2019		March 31, 2018	
	Fair Value	Carrying Value	Fair Value	Carrying Value
Financial Assets				
Amortized Cost:				
Cash and cash equivalents	14,20,206	14,20,206	12,60,913	12,60,913
Trade Receivable	96,09,910	96,09,910	75,68,478	75,68,478
Non current financial assets	130,61,358	130,61,358	118,30,702	118,30,702
Other financial assets	10,01,193	10,01,193	12,10,482	12,10,482
Fair value through PL:				
TOTAL	250,92,667	250,92,667	218,70,575	218,70,575
Financial Liabilities				
Amortized Cost:				
Borrowings	52,46,068	52,46,068	28,37,087	28,37,087
Trade payables	62,76,457	62,76,457	34,39,823	34,39,823
Other financial liabilities	15,96,667	15,96,667	14,84,532	14,84,532
TOTAL	131,19,192	131,19,192	77,61,442	77,61,442

(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.

Note 26 TAX EXPENSE

	March 31, 2019	March 31, 2018
Amount recognised in Statement of profit and loss		
Current tax	-	3,04,948
MAT credit entitlement	-	(3,04,948)
Deferred tax expense	-	-
(Excess)/short income tax	-	-
Tax Components on OCI	-	-
Tax expense for the year	-	-
Reconciliation of effective tax rate		
Profit before tax	6,60,945	16,00,358
Enacted Incometax rate applicable to the company	26.00%	25.75%
Expected income tax expense (I)	1,71,846	4,12,092
<u>Adjustment to reconcile expected incometax expense to reported income tax expense:</u>		
Effect of Tax Components on Permanat Disallowance	-	-
Effects of Exempt income from tax	(3,861)	(3,824)
Effect of (Excess)/short income tax provision reversed	-	-
Effect on tax due to brought forward loss set off	(1,67,985)	(4,08,268)
Aggregate tax adjustments (II)	(1,71,846)	(4,12,092)
Total tax expense (I)+(II)	-	-
Effective Tax Rate	0.00%	0.00%

NOTE 27 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
March 31, 2019				
Deferred tax asset				
MAT credit entitlement	1,21,137	-	-	1,21,137
Employee benefit obligations				-
Others				-
Gross deferred tax assets	1,21,137	-	-	1,21,137
Deferred tax liability				
Property, plant and equipment and intangible assets				-
Others	-			
Gross deferred tax liability	-	-		-
Deferred tax asset / (liabilities), net	1,21,137	-		1,21,137

NOTE 28 RELATED PARTY TRANSACTIONS(i) List of Related parties and their Relations

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

(ii) Related Party Transactions

Particulars	For the year ended 31 March, 2019	For the year ended 31 March, 2018
Key Management Personnel		
<u>A. Loan Repayment</u>	1,63,000	6,84,761
Niket M Shah	1,63,000	5,19,761
Parul N Shah	-	1,65,000
<u>B. Loan Taken</u>	3,98,806	6,84,761
Niket M Shah	3,98,806	5,19,761
Parul N Shah	-	1,65,000
<u>C. Director's Remuneration</u>	12,00,000	12,00,000
Niket M Shah	6,00,000	6,00,000
Hital M Shah	6,00,000	6,00,000
Enterprises having Significant Influence (EHSI)		
<u>A. Sales</u>	1,35,705.0	-
Shree Vinayak Speciality Gases	1,35,705	-
<u>B. Purchases</u>	1,04,263	18,12,915
<i>Dhanlaxmi Distributors</i>	1,00,576	5,59,741
Shree Vinayak Speciality Gases	-	2,619
United Gases	3,687	12,50,555
<u>C. Sales</u>	-	1,050
Dhanlaxmi Distributors	-	1,050
TOTAL	14,98,705	18,85,811

(iii) Related Party Balances

Particulars	For the year ended 31 March, 2019	For the year ended 31 March, 2018
Key Management Personnel		
<u>A. Trade Payables</u>	(1,068)	2,13,174
Dhanlaxmi Distributors	-	-
Shree Vinayak Speciality Gases	2,619	2,619
United Gases	(3,687)	2,10,555
<u>B. Trade Receivables</u>	-	5,309
Dhanlaxmi Distributors	-	5,309
<u>C. Loan Taken</u>	75,416	3,11,222
Niket M Shah	74,572	3,10,378
Hital M Shah	844	844
Parul N Shah	-	-

NOTE 29 EARNINGS PER SHARE

Particulars	For the year ended 31 March, 2019	For the year ended 31 March, 2018
(i) Profit Attributable to Shareholders	6,60,945	16,00,358
(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)	0.17	0.40

NOTE 30 : The Previous Year's figures have been reworked, regrouped, rearranged and reclassified wherever necessary to correspondence with the current year's classification / disclosure.

Accompanying Notes are integral part of the Financials

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

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

Chintan Doshi
Partner
 Membership No.:

NIKET M. SHAH
 Managing Director
 DIN:00278968

HITAL M. SHAH
 Executive Director
 DIN:00279026

ABIRA I.MANSURI
 Company Secretary
 Mem. No:42410

ANIL SHARMA
 Chief Financial officer

Place: Ahmedabad

Date: 30/05/2019

NOTE 31: STATEMENT OF CHANGES IN EQUITY

(Amount INR)

A	EQUITY SHARE CAPITAL (Refer note 14)	March 31, 2019	March 31, 2018
	Balance at the beginning of the year	400,03,000	400,03,000
	Changes during the year	-	-
	Balance at the end of the year	400,03,000	400,03,000

B OTHER EQUITY

Particular	Reserves and Surplus			
	Capital Reserves	Other Reserves	Surplus	Total
Balance as at 1st April, 2017	9,66,342	142,17,223	(146,76,651)	5,06,914
Profit for the Year	-	-	16,00,358	16,00,358
Provided during the year	-	-	-	-
Deduction	-	(13,61,826)	-	(13,61,826)
Transfer to/(from) Surplus	-	-	-	-
Other comprehensive income	-	-	-	-
Balance as at 1st April, 2018	9,66,342	128,55,397	(130,76,293)	7,45,446
Profit for the Year	-	-	6,60,945	6,60,945
Provided during the year	-	-	-	-
Deduction	-	-	-	-
Transfer to/(from) Surplus	-	-	-	-
Other comprehensive income	-	-	-	-
Balance as at 31st March, 2019	9,66,342	128,55,397	(124,15,348)	14,06,391

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 M. Doshi

Partner

Membership No.: 118298

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

NIKET M. SHAH

Managing Director

DIN:00278968

HITAL M. SHAH

Executive Director

DIN:00279026

ABIRA I.MANSURI

Company Secretary

Mem. No:42410

ANIL SHARMA

Chief Financial officer

Place: Ahmedabad

Date: 30/05/2019

1. Corporate Information:

Hilltone Software & Gases Limited "A" Public limited company since 1993. The company is engaged in trading of best quality Medical and Industrial Oxygen. The company has set the plant at Santej using the latest technology and excellent process to obtain the best quality Medical Oxygen and complete in house analytical set to control our process at all stages. The company is providing the entire range of industrial gases and medical gases like Nitrous Oxide - Bulk 'A' Type, Oxygen/ Nitrogen/ Co2/ D.A, Helium etc.

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

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

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

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

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

B. Use of Estimates ,assumptions and judgments :

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

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

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

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

C. Measurement of fair values

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

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

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

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

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

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

- Note 35 – financial instruments.

D. Current and non-current classification:

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

An asset is treated as current when it is:

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

A liability is current when:

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

The Company classifies all other liabilities as non-current.

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

E. Revenue Recognition:

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

Interest income is recognized on accrual basis.

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

F. Property Plan & Equipments:**Recognition and measurement**

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

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

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

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

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

Transition to IND AS

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

G. Intangible Assets:

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

H. Impairment of Assets:

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

I. Depreciation/ Amortization:

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

J. Financial instruments:**Financial Asset**

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

Initial recognition and measurement

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

Subsequent measurement

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

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

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

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

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

Debt instrument at FVTOCI

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

- a) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and
- b) The asset's contractual cash flows represent SPPI.

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

Debt instrument at FVTPL

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

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

Equity investments

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

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

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

Derecognition

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

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

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

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

Impairment of financial assets

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

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

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

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

Financial liabilities

Initial recognition and measurement

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

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

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

Subsequent measurement

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

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

Gains or losses on liabilities held for trading are recognised in the statement of profit and loss.

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

Loans and borrowings

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

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

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

Derecognition

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

K. Retirements Benefits:

The management of the company has decided to provide for Gratuity liability on cash basis, since the company has got limited number of employees and its impact on profitability of the company shall not be material.

L. Inventories:

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

M. Borrowing Cost:

Borrowing costs that are attributable to the acquisitions or construction of fixed assets/qualifying assets for expansion/new project are capitalized to respective fixed assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use. Other borrowing costs are charged to revenue in the year in which they are incurred.

N. Earnings per Share:

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

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

O. Taxation :

i. Current Tax :

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

ii. Deferred Tax Provision :

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

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

Deferred income tax assets and liabilities are measured using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date and are expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect of changes in tax rates on deferred income tax assets and liabilities is recognised as income or expense in the period that includes the enactment or substantive enactment date. A deferred income tax asset is recognised to the extent it is probable that future taxable income will be available against which the deductible temporary timing differences and tax losses can be utilised. The Company offsets income-tax assets and liabilities, where it has a legally enforceable right to set off the recognised amounts and where it intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

iii. Minimum Alternative Tax (MAT) :

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

P. Provisions, Contingent Liabilities and Contingent Assets:

A provision is recognized when an enterprise has a present obligation as a result of past event; it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to

reflect the current best estimates. A Contingent Liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation.

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

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

NIKET M. SHAH
Managing Director
DIN:00278968

HITAL M. SHAH
Executive Director
DIN:00279026



HILLTONE SOFTWARE AND GASES LIMITED

CIN: L72200GJ1993PLC020620

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

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

Website www.HilltoneGases.com

ATTENDANCE SLIP

26th ANNUAL GENERAL MEETING ON SATURDAY, 28TH SEPTEMBER, 2019 AT 11.30 A.M.

at Hotel Legend Restaurant & Banquets, Square One Complex, Near Dominos Pizza, Radhanpur Road, Mehsana-384002, Gujarat.

Folio No.:	DP ID No.:	Client ID No.:
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I / We hereby record my/our presence at the TWENTY SIXTH ANNUAL GENERAL MEETING of the Company at Hotel Legend Restaurant & Banquets, Square One Complex, Near Dominos Pizza, Radhanpur Road, Mehsana-384002, Gujarat at 11.30 A.M. on Saturday, 28th September, 2019.

Name of the Member _____	Signature _____
Name of the Proxy holder _____	Signature _____

Notes:

1. Only Member/Proxyholder can attend the Meeting.
2. Please complete the Folio No./DP ID No., Client ID No. and name of the Member/Proxyholder, sign this Attendance Slip and hand it over, duly signed, at the entrance of the Meeting Hall.
3. A Member/Proxyholder attending the meeting should bring copy of the Annual Report for reference at the meeting

PROXY FORM

HILLTONE SOFTWARE AND GASES LIMITED

CIN: L72200GJ1993PLC020620

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

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

Website www.HilltoneGases.com

Form MGT – 11

[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 : _____

Folio No. /*Client Id : _____ *DP Id: _____

I/We being the member(s) of _____ shares of Hilltone Software and Gases Limited hereby appoint:

1) _____ of _____ having e-mail id _____ or failing him

2) _____ of _____ having e-mail id _____ or failing him

3) _____ of _____ having e-mail id _____

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 26th Annual General Meeting of the Company, to be held on Saturday, 28 September 2019 at 11.30 P.Mat Hotel Legend Restaurant & Banquets, Square One Complex Near Dominos Pizza, Radhanpur Road, Mehsana-384002, Gujarat, and at any adjournment thereof such resolution as are indicated below:

Resolutions

- 1) To receive, consider and adopt the audited financial statements of the Company for the financial year ended on 31 March 2018 and the reports of the Board of Directors' and Auditors' thereon; and
- 2) To appoint a Director in place of of Mr. Parulben Niketkumar Shah (DIN: 07126594), who retires by rotation and being eligible, has offer himself for reappointment
- 3) To appoint Mr. Shaileshkumar Ambalal Patel (DIN: 08453992) as an Non Executive Independent Director with effect from 16th May, 2019 for a period of Five years till 16th May, 2024.
- 4) To appoint Mr. Sunil Vishnuprasad Purohit (DIN: 08454069) as an Non Executive Independent Director with effect from 16th May, 2019 for a period of Five years till 16th May ,2024.
- 5) To revise remuneration of Mr. Niketbhai Mahendrabhai Shah(DIN: 00278968), Managing Director of the Company
- 6) To revise the remuneration of Mr. Hitalbhai Mahendrabhai Shah (DIN: 00279026), Whole Time Director of the Company
- 7) To Increase in borrowing powers of the Company under Section 180(1)(c) of the Companies Act, 2013
- 8) Creation of charge/ security over the assets/ undertakings of the Company under Section 180(1)(a) of the Companies Act, 2013
- 9) Giving guarantees or providing securities in respect of any loans to any Body Corporate or Persons and/ or making investments in the securities of any Body Corporate in excess of the limits specified under Section 186 of the Companies Act, 2013

Signed this ___ day of _____ 2019.

Signature of shareholder

Signatures of proxy holders

1. _____

2. _____

3. _____

Affix
Rupee 1/-
Revenue
Stamp

Notes:

- (1) This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company not less than 48 hours before the commencement of the meeting.
- (2) A Proxy need not be a member of the Company.
- (3) A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than 10% of the total share capital of the Company carrying voting rights. A member holding more than 10% of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.

***Applicable for investors holding shares in electronic form.**

ROUTE MAP FOR THE VENUE OF THE 26th ANNUAL GENERAL MEETING



Address: Hotel Legend Restaurant & Banquets, Square One Complex, Near Dominos Pizza, Radhanpur Road, Mehsana-384002

Landmark: Near Dominos Pizza and Jay bhavani fast food

Distance from Sardar Patel Square to Hotel Legend Restaurant and Banquets is 650 m

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