

HILTON
SOFTWARE &
GASES LIMITED

CIN: L72200GJ1993PLC020620

31st Annual Report

F.Y 2023-2024



HILLTONE SOFTWARE AND GASES LIMITED

L72200GJ1993PLC020620

CORPORATE INFORMATION

BOARD OF DIRECTORS

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

COMPANY SECRETARY & COMPLIANCE OFFICER

Abira Idris Mansuri (till 30.06.2023)
Hinisha Patel (from 04.09.2023)

STATUTORY AUDITORS

K.C.Parikh & Associates
Chartered Accountants
907, Collonade II,
Behind Rajpath Club
Bodakdev, Ahmedabad

SECRETARIAL AUDITORS

Hussain Bootwala & Associates
Practicing Company Secretary,
Ahmedabad

REGISTERED OFFICE

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

e-mail: secretarial.hilltone@gmail.com

GST NUMBER: 24AAACH3866Q1Z4

SECURITY CODE: CSE – 018077

ISIN NUMBER: INE168C01013

CHIEF FINANCIAL OFFICER

Prafullbhai Rameshchandra Makvana

INTERNAL AUDITORS

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

BANKERS

Mehsana Urban Co-op Bank Limited
Bank of Baroda
HDFC Bank
Yes Bank

REGISTRAR & SHARE TRANSFER AGENT

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

ANNUAL REPORT F.Y 2023-24

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NOTICE

NOTICE is hereby given that **31st Annual General Meeting** of the Members of Hilltone Software and Gases Limited, will be held on **Friday, 13th September 2024 at 03.30 P.M** through Video Conferencing (“VC”) or Other Audio-Visual Means (“OAVM”) to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the audited financial statements of the Company for the financial year ended on 31st March, 2024 and the reports of the Board of Directors’ and Auditors’ thereon;
2. To appoint a Director in place of Mr. HITALKUMAR SHAH (DIN: 00279026), who retires by rotation and being eligible, has offered himself for reappointment.

SPECIAL BUSINESS

3. **To consider and if thought fit, to pass with or without modification, the following Resolution as a SPECIAL RESOLUTION:**

Approval for Locking-in Shares of Shareholders Holding More Than 5% of Equity Share Capital for a Period of One Year from the Date of Listing at BSE Limited

“RESOLVED THAT pursuant to the norms of direct listing of BSE Limited for Company which are listed with Recognized Stock Exchanges or Nationwide Stock Exchange, provisions of the Companies Act, 2013, the Securities and Exchange Board of India (SEBI) regulations, and other applicable laws and regulations, and subject to such conditions as may be prescribed by any of them while granting any such approval(s), consent(s), permission(s), and/or sanction(s), and which may be agreed to by the Board of Directors of the Company (hereinafter referred to as the “Board”), the consent of the shareholders be and is hereby accorded to lock in the shares of shareholders holding more than 5% of the equity share capital of the Company for a period of one year from the date of listing at BSE Limited (Bombay Stock Exchange).

RESOLVED FURTHER THAT pursuant benpos received from the RTA dated 02/08/2024, the Board of Directors of the Company has identified the below list of shareholders holding more than 5% of the equity share capital of the Company for the lock in of the shares.

| Sr. No. | Name of the Shareholders | Category | Status | No. of Equity Shares | % of Total Shareholding | Lock in for the Period |
|--------------|--------------------------|--------------|------------|----------------------|-------------------------|-------------------------------|
| 1. | RAJESH NANUBHAI JHAVERI | Non-Promoter | INDIVIDUAL | 7,00,000 | 6.40 | One Year from date of Listing |
| 2. | VIRALI VICKY JHAVERI | | INDIVIDUAL | 8,00,000 | 7.32 | |
| 3. | RAVEESH DEWAN | | INDIVIDUAL | 6,00,000 | 5.49 | |
| 4. | PARMINDER SINGH SETHI | | INDIVIDUAL | 6,00,000 | 5.49 | |
| 5. | VICKY R. JHAVERI | | INDIVIDUAL | 7,00,000 | 6.40 | |
| TOTAL | | | | 34,00,000 | 31.10 | |

RESOLVED FURTHER THAT the Equity Shares shall be listed and traded on the Stock Exchange, subject to receipt of necessary regulatory permissions and approvals.

RESOLVED FURTHER THAT for the purpose of giving effect, Mr. Niketbhai Shah, Managing Director or Mr. Hitalkumar Shah, Whole Time Director of the Company, be and are hereby severally authorized to make, sign and file the corporate action applications, with depository and Registrar & Share Transfer Agent (RTA) for lock in of the said shares with depository and to submit any other documents as may be required by them and to take all necessary actions and steps to give effect to this resolution, including but not limited to, ensuring compliance with all statutory and regulatory requirements, executing and submitting all necessary documents and filings with relevant authorities, and communicating with shareholders.

RESOLVED FURTHER THAT Mr. Niketbhai Shah, Managing Director or Mr. Hitalkumar Shah, Whole Time Director of the Company be and hereby severally authorized to do all such acts, deeds & things as may be necessary or desirable to carry on the proposed of this resolution, including filling of e-forms with the Registrar of Companies or any other authorities.



4. **To consider and if thought fit, to pass with or without modification, the following Resolution as a SPECIAL RESOLUTION:**

To approve the re-appointment of Mr. SHAILESHKUMAR AMBALAL PATEL (DIN: 08453992), as an Independent Director of the Company for a second term of five consecutive years

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

“RESOLVED THAT pursuant to the provisions of Sections 149, 150 and 152 and other applicable provisions, if any, read along with Schedule IV to the Companies Act, 2013 (‘the Act’) [including any statutory modification(s) or re-enactment(s) thereof for the time being in force], the Companies (Appointment and Qualifications of Directors) Rules, 2014 and Regulation 17 and any other applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (‘SEBI Listing Regulations’), as amended from time to time, Mr. SHAILESHKUMAR AMBALAL PATEL (DIN: 08453992) who was appointed as an Independent Director of the Company for a term of 5 (five) consecutive years commencing from May 16, 2019 upto May 16, 2024 and who being eligible for re-appointment as an Independent Director has given his consent along with a declaration that he meets the criteria for independence under Section 149(6) of the Act and the rules framed there under and Regulation 16(1)(b) of the SEBI Listing Regulations and in respect of whom the Company has received a Notice in writing from a Member under Section 160(1) of the Act proposing her candidature for the office of Director and based on the recommendation of the Nomination & Remuneration Committee and the Board of Directors of the Company, be and is hereby re-appointed as an Independent Director of the Company, not liable to retire by rotation, to hold office for a second term of 5 (five) consecutive years on the Board of the Company commencing from 16th May, 2024 upto May 16th, 2029.

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

5. **To consider and if thought fit, to pass with or without modification, the following Resolution as a SPECIAL RESOLUTION:**

To approve the re-appointment of Mr. SUNIL VISHNUPRASAD PUROHIT (DIN: 08454069), as an Independent Director of the Company for a second term of five consecutive years

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

“RESOLVED THAT pursuant to the provisions of Sections 149, 150 and 152 and other applicable provisions, if any, read along with Schedule IV to the Companies Act, 2013 (‘the Act’) [including any statutory modification(s) or re-enactment(s) thereof for the time being in force], the Companies (Appointment and Qualifications of Directors) Rules, 2014 and Regulation 17 and any other applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (‘SEBI Listing Regulations’), as amended from time to time, Mr. SUNIL VISHNUPRASAD PUROHIT (DIN: 08454069) who was appointed as an Independent Director of the Company for a term of 5 (five) consecutive years commencing from May 16, 2019 upto May 16, 2024 and who being eligible for re-appointment as an Independent Director has given his consent along with a declaration that he meets the criteria for independence under Section 149(6) of the Act and the rules framed there under and Regulation 16(1)(b) of the SEBI Listing Regulations and in respect of whom the Company has received a Notice in writing from a Member under Section 160(1) of the Act proposing her candidature for the office of Director and based on the recommendation of the Nomination & Remuneration Committee and the Board of Directors of the Company, be and is hereby re-appointed as an Independent Director of the Company, not liable to retire by rotation, to hold office for a second term of 5 (five) consecutive years on the Board of the Company commencing from 16th May, 2024 upto May 16th, 2029.

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

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

Date : 14th August, 2024
Place : Mehsana

Niket Shah
Managing Director
DIN: 00278968

Registered Office:

B/4, K B Complex, Dairy Road,
Mehsana Gujarat

NOTES:

1. Pursuant to General Circulars No.14/2020 dated April 8, 2020, No.17/2020 dated April 13, 2020, No.20/2020 dated May 5, 2020, No. 02/2021 dated January 13, 2021, No. 21/2021 dated December 14, 2021, No. 2/2022 dated May 5, 2022 and No. 10/2022 dated December 28, 2022 issued by the Ministry of Corporate Affairs (collectively referred to as 'MCA Circulars'), the Company is convening the 31st Annual General Meeting ('AGM') through Video Conferencing ('VC')/Other Audio Visual Means ('OAVM'), without the physical presence of the Members at a common venue. Further, Securities and Exchange Board of India ('SEBI'), vide its Circulars dated May 12, 2020, January 15, 2021, May 13, 2022 and January 5, 2023 ('SEBI Circulars') and other applicable circulars issued in this regard, have provided relaxations from compliance with certain provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations'). In compliance with the provisions of the Companies Act, 2013 ('Act'), the Listing Regulations and MCA Circulars, the 31st AGM of the Company is being held through VC/OAVM on Friday, 13th September, 2024 at 3:30 p.m. The deemed venue for the AGM will be the Registered Office of the Company.
2. SINCE THE 31st AGM OF THE COMPANY IS BEING HELD THROUGH VC OR OAVM PURSUANT TO THE ABOVE CITED MCA CIRCULARS, THE REQUIREMENT OF PHYSICAL ATTENDANCE OF MEMBERS HAS BEEN DISPENSED WITH. ACCORDINGLY, IN TERMS OF THE MCA CIRCULARS AND LISTING REGULATIONS, THE FACILITY FOR APPOINTMENT OF PROXIES BY THE MEMBERS WILL NOT BE AVAILABLE FOR THIS AGM AND HENCE THE PROXY FORM, ATTENDANCE SLIP AND ROUTE MAP OF THE 31st AGM ARE NOT ANNEXED TO THIS NOTICE.
3. Corporate members intending to send their authorized representative to attend meeting are requested to send the Company a certified true copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the Annual General Meeting.
4. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of Names will be entitled to vote.
5. SEBI Notification No. SEBI/LAD-NRO/GN/2018/24 dated June 8, 2018 and further amendment vide Notification No. SEBI/LAD-NRO/GN/2018/49 dated November 30, 2018, requests for effecting transfer of securities (except in case of transmission or transposition of securities) shall not be processed from April 1, 2019 unless the securities are held in the dematerialized form with the depositories. Therefore, Shareholders are requested to take action to dematerialize the Equity Shares of the Company promptly. 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.
6. The Register of Members and Share Transfer Book of the Company will be closed from 6th September, 2024 to 12th September 2024 (both days inclusive) for the purpose of Annual General Meeting.
7. 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.
8. 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. Bata Show Room, 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.
9. Relevant documents referred to in the Notice and the accompanying Statement are open for inspection by the Members in electronic mode up to the date of the 31st Annual General Meeting. Members can inspect the same by sending an email to the Company through their registered email id at secretarial.hilltone@gmail.com
10. Pursuant to Regulation 36 (3) of SEBI (LODR) Regulations, 2015 with the Stock Exchanges, the details of Directors seeking appointment / re-appointment in the Annual General Meeting to be held on Friday, 13th September 2024 is attached as per Annexure I

11. 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.
12. Pursuant to Regulations 36 of SEBI (LODR) Regulations, 2015, the soft copies of Annual Report 2023-24 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.
13. 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.
14. Members may also note that the Notice of the 31st AGM and the Annual Report 2023-24 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.
15. To support the 'Green Initiative' of the Ministry of Corporate Affairs, the Members who have not registered their e-mail addresses are requested to register the same with MCS Share Transfer Agent Limited/Depository Participant(s) as under
For Physical shareholders:-
Please send duly signed Request Letter mentioning therein Name of shareholder, Folio No., Email ID & Mobile No. along with self-attested copy of PAN Card through email at mcsstaahmd@gmail.com
For Demat shareholders:-
Please contact your Depository Participant (DP) and register your email ID, Mobile No. & PAN No. with your DP as per the process advised by your DP.
16. The Company has designated Email ID: "secretarial.hilltone@gmail.com" for redressal of Shareholders'/Investors complaints/grievances. In case you have any queries, complaints/grievances, then kindly write to the above-mentioned email address. If any of the members are holding shares in the same name or in the same order of names, under different folios, then members are requested to notify the same to the RTA of the Company for consolidation of their shareholding into a single folio.
17. If any of the members are holding shares in the same name or in the same order of names, under different folios, then members are requested to notify the same to the RTA of the Company for consolidation of their shareholding into a single folio.
18. Securities and Exchange Board of India (SEBI) has mandated registration of Permanent Account Number (PAN) and Bank Account Details for all the securities holders. Members holding shares in physical mode are therefore, requested to register their PAN & Bank Account details by sending duly signed request letter to Company's Registrar and Transfer Agent, Link In time India Pvt. Ltd. ("RTA") on ahmedabad@linkintime.co.in and also to the Company on secretarial.hilltone@gmail.com along with the self-attested copy of PAN & cancelled cheque bearing the name of the Member (in case of joint holding, the cancelled cheque shall bear the name of first named shareholder) or self-attested copy of latest bank statement duly attested by Bank Manager & cancelled cheque (if name of the shareholder is not reflected in the cheque). Members holding shares in demat form are requested to submit the aforementioned documents, as applicable, to their Depository Participants for registration/ updation of PAN & Bank Account details.

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

Date : 14th August, 2024
Place : Mehsana

Niket Shah
Managing Director
DIN: 00278968

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

ANNEXURE I

Details of Directors seeking appointment/reappointment/continuation of directorship in Annual General Meeting to be held on 13th September, 2024.

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 | Hital M. Shah | SHAILESH KUMAR AMBALAL PATEL | SUNIL VISHNUPRASAD PUROHIT |
|--|------------------------------|-------------------------------------|-----------------------------------|
| Director Identification Number (DIN)/PAN | 00279026 | 08453992 | 08454069 |
| DOB | 13/12/1973 | | |
| Qualification | B.com | | |
| Expertise in specific area | Marketing | Administration | Administration |
| Date of First appointment on the Board of the Company | 08/11/1993 | 16/05/2019 | 16/05/2019 |
| Shareholding in the Company (Only In case the Director to be appointed is a Non- Executive Director) | N.A | N.A | 10,000 |
| 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 | Brother of Mr. Niket M. Shah | NIL | NIL |

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: secretarial.hilltone@gmail.com

Website <https://hilltonegases.com/>

THE INSTRUCTIONS FOR E-VOTING:

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





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

Step 1: Access to NSDL e-Voting system

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

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

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

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



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

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

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

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



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

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

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

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

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



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

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

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

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

General Guidelines for shareholders

1. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to M/s. D.A. Rupawala & Associates, Practicing Chartered Accountants, (Firm Registration No.:108902W ;Membership No.: 37674), rupawala_ca@yahoo.co.in with a copy marked to evoting@nsdl.co.in. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) can also upload their Board Resolution / Power of Attorney / Authority Letter etc. by clicking on “**Upload Board Resolution / Authority Letter**” displayed under “**e-Voting**” tab in their login.
2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the “**Forgot User Details/Password?**” or “**Physical User Reset Password?**” option available on www.evoting.nsdl.com to reset the password.
3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call on toll free no.: 1800 1020 990 and 1800 22 44 30 or send a request to (MR. KETAN KUMAR PATEL) at evoting@nsdl.co.in

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

1. In case shares are held in physical mode please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to (tfrl4444@gmail.com).
2. In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) to (tfrl4444@gmail.com). If you are an Individual shareholders holding securities in demat mode, you are requested to refer to the login method explained at **step 1 (A)** i.e. **Login method for e-Voting for Individual shareholders holding securities in demat mode.**
3. Alternatively shareholder/members may send a request to evoting@nsdl.co.in for procuring user id and password for e-voting by providing above mentioned documents.
4. In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are required to update their mobile number and email ID correctly in their demat account in order to access e-Voting facility.

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

- i. The E-Voting period commences on **9:00 a.m. on Monday, September 09th, 2024 until 5:00 p.m. on Thursday, September 12th, 2024.** During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on **Cut-off date i.e. Friday, September 06th, 2024** may cast their vote electronically. The e-Voting module shall be disabled for voting thereafter. Once the vote on a resolution is cast by the shareholder, the shareholder shall not be allowed to change it subsequently.
- ii. The voting rights of shareholders shall be in proportion to their shares of the Paid Up Equity Share Capital of the Company.
- iii. M/s. D.A. Rupawala & Associates, Practicing Chartered Accountants (Firm Registration No.:108902W;Membership No.: 37674) (**Address: 705,Mahakant,Opp. V.S Hospital,Ellisbridge, Ahmedabad – 380 006, Gujarat, India**)has been appointed as the Scrutinizer to scrutinize the e-Voting process.
- iv. The Scrutinizer shall on conclusion of the e-voting period, unblock the votes in the presence of at least two (2) witnesses not in the employment of the Company and make a Scrutinizer's Report of the votes cast in favor or against, if any and submit forth with to the Chairman of the Company.
- v. The Results shall be declared along with the Scrutinizer's Report shall be placed on the Company's website and on the website of National Securities Depository Limited (NSDL) <https://www.evoting.nsdl.com/> immediately after declaration of results by the Chairman or a person authorized by him in writing and communicated to the Calcutta Stock Exchange Limited, where the shares of the Company are listed.
- vii. For Members holding shares in physical form, the password and default number can be used only for e-Voting on the resolutions given in the notice.
- viii. Institutional Shareholders (i.e. other than individuals, HUF, NRI etc.) are required to log on to <https://www.evotingindia.co.in> and register themselves as Corporates, link their account which they wish to vote on and then cast their vote. They should submit a scanned copy of the Registration Form bearing the stamp and sign of the entity to evoting@nsdl.co.in. They should also upload a scanned copy of the Board Resolution / Power of Attorney (POA) which they have issued in favor of the Custodian, if any, in PDF format in the system for the scrutinizer to verify the vote.
- ix. You can also update your mobile number and E-mail ID in the user profile details of the folio which may be used for sending communication(s) regarding NSDL e-Voting system in future. The same may be used in case the Member forgets the password and the same needs to be reset.
- x. The Members are requested to pay attention to the matter that once he / she has exercised his / her right then he / she shall not be allowed to change his / her vote subsequently in any case.
- xi. In case you have any queries or issues regarding e-Voting, you may refer the Frequently Asked Questions ("FAQs") and e-Voting manual available at www.evotingindia.com under help section or write an email to evoting@nsdl.co.in.

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

ITEM No. 3

Approval for Locking-in Shares of Shareholders Holding More Than 5% of Equity Share Capital for a Period of One Year from the Date of Listing at BSE Limited

With respect to the norms of direct listing of BSE Limited for Company which are listed with Recognized Stock Exchanges or Nationwide Stock Exchange, provisions of the Companies Act, 2013, the Securities and Exchange Board of India (SEBI) regulations, and other applicable laws and regulations, and subject to such conditions as may be prescribed by any of them while granting any such approval(s), consent(s), permission(s), and/or sanction(s), the shares of Public Shareholder who hold more than 5 % of Total Public Shareholding are to be locked in for a period of 1 year from the date of listing on BSE Platform subject to approval of stock exchange.

The Directors in its meeting dated 14th August, 2024 considered the above resolution and passed it subject to approval from Shareholders in Annual General Meeting and Bombay Stock Exchange. The List of Shareholders who fall under above criteria as per Benpose dated 02/08/2024, are as under.

| Sr. No. | Name of the Shareholders | Category | Status | No. of Equity Shares | % of Total Shareholding | Lock in for the Period |
|--------------|--------------------------|--------------|------------|----------------------|-------------------------|-------------------------------|
| 1. | RAJESH NANUBHAI JHAVERI | Non-Promoter | INDIVIDUAL | 7,00,000 | 6.40 | One Year from date of Listing |
| 2. | VIRALI VICKY JHAVERI | | INDIVIDUAL | 8,00,000 | 7.32 | |
| 3. | RAVEESH DEWAN | | INDIVIDUAL | 6,00,000 | 5.49 | |
| 4. | PARMINDER SINGH SETHI | | INDIVIDUAL | 6,00,000 | 5.49 | |
| 5. | VICKY R. JHAVERI | | INDIVIDUAL | 7,00,000 | 6.40 | |
| TOTAL | | | | 34,00,000 | 31.10 | |

Your Directors recommend to pass this Resolution.

None of the Directors, Key Managerial Personnel or their respective relatives are, in any way, concerned or interested, financially or otherwise, in the said Resolution.

ITEM No. 4

To approve the re-appointment of Mr. SHAILESHKUMAR AMBALAL PATEL (DIN: 08453992), as an Independent Director of the Company for a second term of five consecutive years

Based on recommendation of the Nomination and remuneration Committee, the Board re-appointed Mr. SHAILESHKUMAR AMBALAL PATEL (DIN: 08453992) as an Independent Director, not liable to retire by rotation, for the second consecutive term of five years, i.e., May 16th, 2024 upto May 16th, 2029 (both days inclusive), subject to approval of the Members. Mr. Shaileshkumar Ambalal Patel has given his declaration to the Board, inter alia, that (i) he meets the criteria of independence as provided under Section 149(6) of the Act and Regulation 16(1)(b) of the SEBI Listing Regulations, (ii) is not restrained from acting as a Director by virtue of any Order passed by SEBI or any such authority and (iii) is eligible to be appointed as a Director in terms of Section 164 of the Act. She has also given her consent to act as a Director.

In the opinion of the Board, Mr. Shaileshkumar Ambalal Patel is a person of integrity, possesses relevant expertise / experience and fulfills the conditions specified in the Act and the SEBI Listing Regulations for re-appointment as an Independent Director and he is independent of the management. The profile and specific areas of expertise of Mr. Shaileshkumar Ambalal Patel is provided as Annexure to this Notice. Given his experience, the Board considers it desirable and in the interest of the Company to have Mr. Shaileshkumar Ambalal Patel on the Board of the Company and accordingly the Board recommends the appointment of Mr. Shaileshkumar Ambalal Patel as an Independent Director as proposed in the Resolution set out at Item No. 4 for approval by the Members. Electronic copy of the terms and conditions of appointment of the Independent Directors is available for inspection.

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

ITEM No. 5

To approve the re-appointment of Mr. SUNIL VISHNUPRASAD PUROHIT (DIN: 08454069), as an Independent Director of the Company for a second term of five consecutive years

Based on recommendation of the Nomination and remuneration Committee, the Board re-appointed Mr. SUNIL VISHNUPRASAD PUROHIT (DIN: 08454069) as an Independent Director, not liable to retire by rotation, for the second consecutive term of five years, i.e., May 16th, 2024 upto May 16th, 2029 (both days inclusive), subject to approval of the Members. Mr. SUNIL VISHNUPRASAD PUROHIT has given his declaration to the Board, inter alia, that (i) he meets the criteria of independence as provided under Section 149(6) of the Act and Regulation 16(1)(b) of the SEBI Listing Regulations, (ii) is not restrained from acting as a Director by virtue of any Order passed by SEBI or any such authority and (iii) is eligible to be appointed as a Director in terms of Section 164 of the Act. She has also given her consent to act as a Director.

In the opinion of the Board, Mr. SUNIL VISHNUPRASAD PUROHIT is a person of integrity, possesses relevant expertise / experience and fulfills the conditions specified in the Act and the SEBI Listing Regulations for re-appointment as an Independent Director and he is independent of the management. The profile and specific areas of expertise of Mr. SUNIL VISHNUPRASAD PUROHIT is provided as Annexure to this Notice. Given his experience, the Board considers it desirable and in the interest of the Company to have Mr. SUNIL VISHNUPRASAD PUROHIT on the Board of the Company and accordingly the Board recommends the appointment of Mr. SUNIL VISHNUPRASAD PUROHIT as an Independent Director as proposed in the Resolution set out at Item No. 5 for approval by the Members. Electronic copy of the terms and conditions of appointment of the Independent Directors is available for inspection.

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

HILLTONE SOFTWARE AND GASES LIMITED

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

Phone: (02762) 255282 Fax No: (02762) 240055

Email: secretarial.hilltone@gmail.com Website www.hilltonegases.com

BOARD'S REPORT

To
The Members of,
HILLTONE SOFTWARE AND GASES LIMITED

Your Directors have pleasure in submitting their 31st Annual Report of the Company together with the Audited Statements of Accounts for the year ended 31st March, 2024.

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 31st March, 2024 is summarized below:

(In Lac Rs)

| PARTICULARS | <u>FY 2023-24</u> | <u>FY 2022-23</u> |
|---|--------------------------|--------------------------|
| Revenue from Operations | 732.76 | 568.46 |
| Profit before Tax | 62.30 | 87.19 |
| Less: Current Tax (Net) | 15.05 | 13.60 |
| Deferred Tax/MAT Entitlement | (3.38) | 0.39 |
| Profit for the year | 50.64 | 73.20 |
| Other Comprehensive Income | - | - |
| Total comprehensive income for the year | 50.64 | 73.20 |

2. SHARE CAPITAL

The paid up Equity Share capital of the Company is Rs. 10,93,08,000/-. 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.

During the year under review the company issued 69,30,500 Equity Shares of Rs. 10/- each at a premium of Rs. 2/- each through Preferential Issue pursuant to Provisions of Section 42 and 62 of Companies Act, 2013

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, 2024.

TRANSFER OF UNCLAIMED DIVIDEND TO INVESTOR EDUCATION AND PROTECTION FUND

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

4. TRANSFER TO RESERVES:

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

5. FINANCIAL LIQUIDITY :

Cash and Cash equivalent as at March 31st, 2024 was Rs. 47.31 lacs. The Company's working capital management is robust and involves a well-organised process, which facilitates continuous monitoring and control over receivables, inventories and other parameters

6. DEPOSIT

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

7. ADEQUACY OF INTERNAL FINANCIAL CONTROLS

Your Company has established adequate internal financial control systems to ensure reliable financial reporting and compliance with laws and

regulations. All resources are put to optimal use and adequately protected against any loss.

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

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

8. MANAGEMENT DISCUSSION AND ANALYSIS

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

9. CORPORATE GOVERNANCE

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

Your Company always endeavors to adhere to the highest standards of corporate governance, which are within the control of the Company. A comprehensive Report on Corporate Governance inter-alia highlighting the endeavors of the Company in ensuring transparency, integrity and accountability in its functioning has been incorporated as a separate section, forming a part of the Annual Report as **Annexure B**. The certificate issued by Practicing Company Secretaries on Compliance with Corporate Governance is annexed to the Report on Corporate Governance.

10. RELATED PARTY TRANSACTIONS

All contracts/arrangements/transactions entered by the Company during the previous financial year with the related parties were in the ordinary course of business and on arms' length basis. There were no materially significant related party transactions entered by the Company with its Promoters, Directors, Key Managerial Personnel or other persons which may have potential conflict with the interest of the Company. All Related Party transactions are placed before the Audit Committee for approval, wherever applicable. Prior omnibus approval for

normal business transactions is also obtained from the Audit Committee for the related party transactions which are of repetitive nature and accordingly, the required disclosures are made to the Committee on a quarterly basis in terms of the approval of the Committee. The disclosure of Related Party Transactions as required under Section 134(3)(h) of the Act in Form AOC - 2 is annexed as **Annexure C**. The Related Party Transactions took place during the financial year 2023-24 have placed in Notes of Financial Statements of the Company.

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

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

11. 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 D** 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 as there was no employee in receipt of remuneration under this section.

12. BOARD OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

Appointment and Resignation of Directors/KMP

During the F.Y 2023-24, No Director were Appointed or Resigned.

During the year under review, Mrs. Abira Mansuri resigned from the post of Company Secretary with effect from 30th June, 2023

Mrs. Hinisha Patel was appointed for the post of Company Secretary as on 04th of September, 2023.

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 31st March 2024, has been placed before the Board. **(Annexure E)**

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. HITALKUMAR SHAH (DIN: 00279026), will retire by rotation at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment. The board recommends his 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 31st 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, 2024:

| | |
|---------------------|---------------------|
| Mr. Niket Shah | Managing Director |
| Mr. Hital M. Shah | Whole time Director |
| Mrs. Hinisha Patel | Company Secretary |
| Mr. Prafull Makwana | CFO |



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

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

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

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

Board of Director Meetings

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

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

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

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

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

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

During the year under review, the Board of Directors of the Company met Nine times.

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
- d. Risk Management 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, 2024, the Audit Committee met Four times as follows and the requisite Quorum was present.

- 1) 30/05/2023 2) 14/08/2023
- 3) 01/11/2023 4) 07/02/2024

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 2023-24 the Nomination & Remuneration Committee met twice on 04th September, 2023 and 13th February, 2024 and the requisite Quorum was present.

c. STAKEHOLDERS RELATIONSHIP COMMITTEE AND SHARE TRANSFER COMMITTEE

The compliance with the provisions of Section 178 of the companies Act, 2013 read with the Rules issued there under and Regulation 20 of the SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015, the Board has constituted Stakeholders Relationship Committee and share transfer committee. The

Committee is entrusted with the responsibility of addressing the stakeholders' / investors' complaints with respect to share transfers, non-receipt of annual reports, dividend payments, issue of duplicate shares, etc and other shareholders related queries, complaints, as well as relating to transfer of shares, Review and approval of all requests pertaining to sub-division, consolidation, transfer, transmission of shares and issue of duplicate share certificates; etc.

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

- 1) 14/08/2023 2) 01/11/2023

14. 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.

15. 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.

16. AUDITORS

STATUTORY AUDITOR AND THEIR REPORT

The Board has duly reviewed the Statutory Auditors' Report for the year ended on 31st March, 2024 and the observations and comments, appearing in the report are self-explanatory and do not call for any further explanation / clarification by the Board of Directors as provided under section 134 of the Companies Act, 2013.

Pursuant to Section 139 of the Companies Act, 2013 and Rules made there under, M/S K.C Parikh & Associates, Chartered Accountants (Firm Registration No. 107550W), are appointed for a period of five years from the conclusion of the 30th Annual General Meeting held on 29th September, 2023 until the conclusion of the 35th

Annual General Meeting to be held in the year 2028.

INTERNAL AUDITOR AND THEIR REPORT

Pursuant to the provisions of Section 139 of the Companies Act, 2013 and The Companies (Accounts) Rules, 2014, during the year under review the Internal Audit of the functions and activities of the Company was undertaken by the Internal Auditors of the Company by BPA & Co., Chartered Accountants, Ahmedabad (Firm Registration No. 109685W), the Internal Auditors of the Company for F.Y 23-24.

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. HUSSAIN BOOTWALA & ASSOCIATES, COMPANY SECRETARIES IN PRACTICE having Membership No. A49591 and COP no. 23980 to undertake the Secretarial Audit of the Company for the FY 2023-24. The Secretarial Audit Report for the FY 2023-24 is annexed to this Directors' Report as **Annexure-F**. 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 2023-24.

21. 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.

17. 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 – G**.

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.

SUBSIDIARIES, JOINT VENTURES AND ASSOCIATE COMPANIES

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

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://hilltonegases.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.

22. 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.

23. 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.

24. 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.

25. 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.

26. STOCK EXCHANGES

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

The Directors are happy to announce that that the Company is planning to be listed on Bombay Stock Exchange for providing facility to the shareholders for easy trading of shares.

27. 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.

28. 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, 2024 and a declaration to that effect, signed by the Managing Director, forms an integral part of this report and is annexed as **Annexure – H**

29. 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.



30. 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, 2024 impacting the going concern status and company's operations in future.

31. LISTING FEES:

The Company's Equity Shares are listed with CALCUTTA STOCK EXCHANGE. The Company has paid Listing Fees for the financial year 2024-25 to CSE within the prescribed time period.

32. OTHER DISCLOSURES:

- a) The Company has complied with Secretarial Standards issued by the Institute of Company Secretaries of India on Meetings of the Board of Directors and General Meetings.
- b) There was no application made or any proceeding pending under the Insolvency and Bankruptcy Code, 2016 during the year.
- c) There was no instance of onetime settlement with any Bank or Financial Institution.

33. ACKNOWLEDGEMENTS

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

On behalf of the Board of Directors

NIKET M. SHAH
(Managing Director)

DIN: 00278968

Date: 14th August, 2024.

Place: Mehsana

HITAL M. SHAH
(Executive Director)

DIN: 00279026

ANNEXURE A

MANAGEMENT DISCUSSION ANALAYSIS REPORT
*(Pursuant to Regulation 34(2)(e) and Schedule V of SEBI
(LODR) Regulations 2015)*

Your Directors have pleasure in presenting the “Management Discussion and Analysis Report” for the Financial Year ended on 31st March, 2024.

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.

The Company has its plant at Santej using the latest technology and 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:

According to the IMF, the baseline forecast is for the world economy to continue growing at 3.2 percent during 2024 and 2025, at the same pace as in 2023. A slight acceleration for advanced economies—where growth is expected to rise from 1.6 percent in 2023 to 1.7 percent in 2024

and 1.8 percent in 2025 will be offset by a modest slowdown in emerging market and developing economies from 4.3 percent in 2023 to 4.2 percent in both 2024 and 2025. Global inflation is forecast to decline steadily, from 6.8 percent in 2023 to 5.9 percent in 2024 and 4.5 percent in 2025, with advanced economies returning to their inflation targets sooner than emerging market and developing economies. Core inflation is generally projected to decline more gradually. The global economy has been surprisingly resilient, despite significant central bank interest rate hikes to restore price stability. Oil prices have also been steady of late, and range bound, which will also help to decelerate the inflation, which in turn will help in boosting growth globally

C. OVERVIEW OF THE INDIAN ECONOMY:

United Nations revised its earlier forecasts and said that India’s economy is expected to grow by 6.9% in 2024 and 6.6% in 2025. According to the report the growth will primarily driven by robust public investment and resilient private consumption. This will be mainly driven by strong public investment and resilient private consumption. Although subdued external demand will continue to weigh on merchandise export growth, pharmaceuticals and chemicals exports are expected to expand strongly,” said World Economic Situation and Prospects as of mid-2024. Further, supply chains are expected to move slowly towards many emerging economies, India being one of them. This will help to boost growth.

D. INDUSTRY INSIGHT

Indian Industrial and Medical Gas Industry

According to “India Industrial Gases Market” the India industrial gases market was valued at US\$ 3.3 Billion in 2023. Looking forward, IMARC Group expects the market to reach US \$ 6.5 Billion by 2032, exhibiting a growth rate (CAGR) of 7.5% during 2024-2032. The rising utilization of industrial gases across various industries, such as steel manufacturing, pharmaceuticals, healthcare, etc., as they aid in optimizing processes, improving efficiency, streamlining operations, reducing costs, and increasing overall productivity,

is primarily driving the India industrial gases market.

The Company has increased its total number of customer touch points through the growing network. Currently your company is catering to the need of Domestic Markets only but the Company's products have good demand in the international markets. The product wise performance of the Company is briefly described herein below.

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

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

Production in this year has Increased of Nitrogen to cater the high supply in the market.

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

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

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

(F) Helium: This is a very light gas and is nobler than Argon. It is used in deep sea diving, balloons and many other applications including high quality electric welding and leak detection. Liquid Helium is used in MRIs at hospitals for its supra-conductive characteristics. Your Company is involved in trading of this gas.

E. RISK AND CONCERN

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

F. FUTURE SCENARIO

We believe that the application of industrial gases will grow in all areas of manufacturing industry. Products like CNG, LNG and LCNL 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.

G. HUMAN RESOURCES

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

resources. The Company conducts regular training programmes for employees to ensure skill upgradation and personnel development. High employee retention levels is a key outcome of these initiatives.

H. 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: 14th August, 2024

Place: Mehsana

**“Annexure – C”
CORPORATE GOVERNANCE REPORT**

Your Directors present the Company’s Report on Corporate Governance for the financial year ended 31st March, 2024 in compliance with the provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (‘Listing Regulations’).

1. THE COMPANY’S PHILOSOPHY ON CORPORATE GOVERNANCE

Corporate Governance is a synthesis of business elements & ethics encompassing accountability, transparency, fairness, responsibility, risk management and sustainability that not only enhances the organizational growth and values but also generates trust among all its shareholders and other stakeholders.

The Directors and Management of the Company believes in constructive and progressive Corporate Governance principle and are committed to maintain high standards of Corporate Governance in conducting its business and ensure that an effective self-regulatory mechanism exists to protect the interest of all the Stakeholders be it Investors, Customers, Employees, Suppliers, Financiers, Government and Community at large.

The Company is in compliance with the requirements stipulated under the provisions of Regulations 17 to 27 and clauses (b) to (i) and (t) of sub regulation (2) of regulation 46 read with Regulation 34(2) and Schedule V of the Listing Regulations.

2. BOARD OF DIRECTORS

A. COMPOSITION AND CATEGORY OF DIRECTORS: -

The Board of Directors is the apex body constituted by shareholders, for overseeing the Company’s overall functioning. It provides strategic direction, leadership and guidance to the Company’s management as also monitors the performance of the Company with the objective of creating long-term value for the Company’s stakeholders.

The following is the Composition of the Board as at 31st March, 2024:

| Names of the Director | Category |
|------------------------------|-----------------------------------|
| PARULBEN NIKETKUMAR SHAH | Chairman & Non-Executive Director |
| NIKETBHAJ MAHENDRABHAI SHAH | Managing Director (Promoter) |
| HITALKUMAR SHAH | Whole-Time Director (Promoter) |
| SAPNABEN HITALBHAI SHAH | Non-Executive Director (Promoter) |
| AMITKUMAR TRIVEDI | Independent Director |
| SHAILESHKUMAR AMBALAL PATEL | Independent Director |
| SUNIL VISHNUPRASAD PUROHIT | Independent Director |

During the year under review, the composition of the Board of Directors was in conformity with the provisions of Section 149 and 152 of the Companies Act, 2013 (‘the Act’) and Regulation 17 of the Listing Regulations during the period under review. The strength of the Board of Directors as on 31st March, 2024 consisted of Seven (7) Directors comprising of Two (2) Executive Director, Two (2) Non-Executive Non Independent Director (both Non-Executive Woman Directors) and Three (3) Non-Executive Independent Directors. The composition of the Board represents an optimal mix of professionalism, knowledge and experience and enables the Board to discharge its responsibilities. The Board presently, does not have any nominee director.

The Independent Directors are enough as per the requirement of the Companies Act, 2013 and the Listing Regulations. 2 out of 7 members are women Directors. The Company has received confirmation from all the existing IDs of their registration on the Independent Directors Database maintained by the Institute of Corporate Affairs pursuant to Rule 6 of the Companies (Appointment and Qualification of Directors) Rules, 2014. Based on the

disclosures received from all the IDs, the Board is of the opinion that the IDs fulfill the conditions of Independence as specified in the Act, the SEBI Listing Regulations and they are independent of the Management.

None of the Directors on the Board hold the office of Director in more than 20 companies, including 10 public companies, as disclosed under Section 184 of the Act read with Rules framed thereunder. None of the IDs serve as IDs in more than 7 listed entities and none of the IDs are Whole-time Directors / Managing Directors in any listed entity. Furthermore, none of the Whole-time Directors of the Company serve as IDs in more than 3 listed entities. In accordance with Regulation 26 of the SEBI Listing Regulations, none of the Directors are members in more than 10 committees or act as chairperson of more than 5 committees [the committees being, Audit Committee and Stakeholders' Relationship Committee] across all public limited companies in which he/she is a Director. All Non- Independent Directors are liable to retire by rotation.

Pursuant to Regulation 27(2) of the SEBI Listing Regulations, the Company also submits a quarterly compliance report on Corporate Governance to the Calcutta Stock Exchange, where it is listed within 21 days from the close of every quarter. The Managing Director and the Chief Financial Officer ('CFO') have certified to the Board inter alia, on the accuracy of the financial statements and adequacy of internal controls for financial reporting, in accordance with Regulation 17(8) read together with Part B of Schedule II of the SEBI Listing Regulations, pertaining to CEO and CFO certification for the Financial Year ended March 31, 2024.

In view of the scope and the nature of the Company's operations, the present size of the Board is appropriate for effective decision making. The Board of Directors has ultimate responsibility for the management, general affairs, direction, performance and long-term success of business.

B. ATTENDANCE OF DIRECTORS AT BOARD & ANNUAL GENERAL MEETING: -

The Board meets at regular intervals on a quarterly basis to discuss and decide on business policies and strategies apart from other Board businesses. An ad-hoc meeting is convened as and when circumstances require. However, in case of a special and urgent business need, the Board's approval is taken by passing resolutions by circulation, as permitted by law, which are noted and confirmed in the subsequent Board Meeting.

The Company in consultation with the Directors prepares the Annual calendar of meetings and circulates a tentative Schedule for the meeting of the Board and Committee in order to facilitate the Directors to plan their schedules.

During the F.Y. 2023-24, the Board meetings were held through physical mode at the Registered Office of the Company situated at B/4, K B COMPLEX, DAIRY ROAD, MEHSANA, Gujarat, India, 384002. The details of attendance of the Directors at the Board Meeting during the year and at Annual General Meeting are given below:

| Name of Director | Category of Directors | Board Meeting attended | Last AGM Attended |
|---------------------------------|--|-------------------------------|--------------------------|
| Mrs. PARULBEN NIKETKUMAR SHAH | Chairman and Non-Executive Director | 9 | No |
| Mr. NIKETBHAI MAHENDRABHAI SHAH | Executive Director- Managing Director | 9 | Yes |
| Mr. HITALKUMAR SHAH | Executive Director-Whole-Time Director | 9 | Yes |
| Mr. SAPNABEN HITALBHAI SHAH | Non-Executive Director | 9 | Yes |
| Mr. AMITKUMAR TRIVEDI | Non-Executive - Independent Director | 9 | No |

| | | | |
|--------------------------------------|--------------------------------------|----|----|
| Mr. SHAILESHKUMAR AMBALAL PATEL | Non-Executive - Independent Director | 9 | No |
| Mr. SUNIL VISHNUPRASAD PUROHIT | Non-Executive - Independent Director | 9r | No |

C. DIRECTORSHIP AND MEMBERSHIP IN COMMITTEES: -

The Company has obtained the requisite disclosures from the Directors in respect of their Directorship and Membership in Committees of other Companies, the details of which are given below:

| Name of Director | Category of Directors | Directorship in other *Companies | No. of **Committee Positions held in Indian Companies | |
|---------------------------------|---|----------------------------------|---|----------|
| | | | Member | Chairman |
| Mrs. PARULBEN NIKETKUMAR SHAH | Chairman and Non-Executive Director | 0 | 2 | 1 |
| Mr. NIKETBHAI MAHENDRABHAI SHAH | Executive Director- Managing Director | 1 | 1 | 0 |
| Mr. HITALKUMAR SHAH | Executive Director- Whole-Time Director | 0 | 1 | 0 |
| Mr. SAPNABEN HITALBHAI SHAH | Non-Executive Director | 0 | 0 | 0 |
| Mr. AMITKUMAR TRIVEDI | Non-Executive - Independent Director | 0 | 1 | 0 |
| Mr. SHAILESHKUMAR AMBALAL PATEL | Non-Executive - Independent Director | 0 | 2 | 1 |
| Mr. SUNIL PUROHIT | Non-Executive - Independent Director | 0 | 1 | 0 |

* Includes Directorships held in Listed and Unlisted Public Limited Companies and Private Limited Companies other than HILLTONE SOFTWARE AND GASES LIMITED

**Committees considered are Audit Committee & Stakeholder's Relationship Committee of all the Public Limited Companies including HILLTONE SOFTWARE AND GASES LIMITED.

All the Directors are in compliance with the provisions of the Act and Listing Regulations, in this regard.

None of the Directors are holding directorship in any other listed entities.

D. NUMBER OF BOARD MEETINGS HELD: -

During the year under review, 9 Board Meetings were held on 10.04.2023, 30.05.2023, 14.08.2023, 28.08.2023, 04.09.2023, 12.09.2023, 01.11.2023, 07.02.2024 and 13.02.2024. The quorum for the meeting of the Board of Directors is one-third of the Board of Directors or two Directors, whichever is higher, including atleast one ID and during the year, the requisite quorum was present for all Board meetings. The maximum gap between any two Board Meetings was less than one hundred and twenty days.

E. DISCLOSURE OF RELATIONSHIP BETWEEN DIRECTOR INTER-SE: -

Except Mrs. PARULBEN NIKETKUMAR SHAH, Mr. HITALKUMAR SHAH, Mr. NIKETBHAI MAHENDRABHAI SHAH and Mrs. SAPNABEN HITALBHAI SHAH who are related to each other, none of the Directors of the Company have any inter-se relationship.

F. NUMBER OF SHARES HELD BY NON-EXECUTIVE DIRECTORS: -

Particulars of number of Equity Shares held by the Non-Executive Directors as on 31st March, 2024 are given below:

| Name of Non-Executive Director | No. of Equity Shares held |
|--------------------------------|---------------------------|
| Mrs. SAPNABEN HITALBHAI SHAH | 7200 |
| Mr. SUNIL PUROHIT | 10000 |



G. FAMILIARISATION PROGRAMME OF INDEPENDENT DIRECTOR: -

Pursuant to the provisions of Regulation 25(7) and Regulation 46 of the SEBI Listing Regulations, kindly refer to the Company’s website

<http://hilltonegases.com/pdf/codesandpolicies/Familiarization%20of%20Independent%20Director.pdf> for details of the familiarization programme for IDs.

Independent Directors are taken through a detailed induction and familiarization Programme when they join the Board of your Company. As part of the induction sessions, the Managing Director provide an overview of the organization, history, culture, values and purpose. The Business and Functional Heads take the Independent Directors through their respective businesses and functions.

H. SKILLS/EXPERTISE/COMPETENCIES OF THE BOARD OF DIRECTORS

The Board as on 31st March, 2024 comprises of qualified members who bring in the required skills, competencies and expertise that allow them to make effective contributions to the Board and its Committees.

The matrix below summarizes the list of core skills, expertise, competencies identified by the Board as required in the context of the Company’s business and as possessed by individual members of the Board. –

| Name of Director | Entrepreneur / Leadership | Strategic Planning | Finance | Taxation | Technical Expertise | Production | Marketing | Research and Development | Legal and Regulatory |
|---------------------------------|---------------------------|--------------------|---------|----------|---------------------|------------|-----------|--------------------------|----------------------|
| Mrs. PARULBEN NIKETKUMAR SHAH | √ | √ | √ | √ | - | - | - | - | √ |
| Mr. NIKETBHAI MAHENDRABHAI SHAH | √ | √ | √ | √ | √ | √ | √ | √ | √ |
| Mr. HITALKUMAR SHAH | √ | √ | √ | √ | - | - | √ | √ | √ |
| Mr. SAPNABEN HITALBHAI SHAH | √ | √ | - | - | √ | - | - | - | √ |
| Mr. AMITKUMAR TRIVEDI | √ | - | √ | - | - | - | √ | - | √ |
| Mr. SHAILESHKUMAR AMBALAL PATEL | √ | √ | √ | √ | - | - | √ | - | √ |
| Mr. SUNIL VISHNUPRASAD PUROHIT | √ | - | √ | - | - | - | √ | - | √ |

I. INDEPENDENT DIRECTORS: -

Independent Directors play an important role in the governance processes of the Board. They bring with them their expertise and experience for fruitful discussions and deliberations at the Board. This better the decision making process at the Board.

The Independent Directors have been appointed for a fixed term of 5 (five) years from their respective dates of appointment with an option to retire from the office at any time during the term of appointment. Their appointment has been approved by the Members of the Company. The Independent Directors have confirmed that they meet with the criteria of independence laid down under the Act, the Code and Listing Regulations.

Pursuant to the requirements of Section 150 of the Companies Act, 2013 read with Rule 6(4) of the Companies (Appointment & Qualification of Directors) Rules, 2014, all the Independent Directors of the Company have registered their names in the Data Bank maintained with the Indian Institute of Corporate Affairs, Manesar ("IICA"), the authority notified by the Ministry of Corporate Affairs.

J. 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, 2024:

| | |
|---------------------------------|--|
| Mr. NIKETBHAI MAHENDRABHAI SHAH | Managing Director |
| Mr. HITALKUMAR SHAH | Whole-Time Director |
| Ms. HINISHA PATEL | Company Secretary & Compliance Officer |
| Mr. PRAFULLBHAI MAKVANA | Chief Financial Officer |

K. SEPARATE MEETING OF INDEPENDENT DIRECTOR: -

In accordance with provisions of Regulation 25(3) of the SEBI Listing Regulation read with Schedule IV of the Companies Act, 2013 the Independent Directors separately met on 13th of February, 2024, without the attendance of Non-Independent Directors and Management Personnel of the Company. At such meeting, the Independent Directors (i) reviewed the performance of Non-Independent Directors and the Board as a whole, (ii) reviewed the performance of Chairman of the Company after taking into account views of Executives and Non-Executive Directors and (iii) assess the quality, quantity and timeliness of flow of information between the Company's management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

L. ISSUANCE OF LETTER OF APPOINTMENT: -

The Independent Directors are given a formal appointment letter inter alia containing the term of appointment, role, duties and responsibilities, time commitment, remuneration, insurance, code of conduct, training and development, performance evaluation process, disclosure, confidentiality, etc.

M. BOARD'S ROLE: -

The Board's role is to:

- provide entrepreneurial leadership, set strategic objectives, and ensure that the necessary financial and human resources are in place for the Company to meet its objectives;
- establish a framework of prudent and effective controls which enables risks to be assessed and managed, including safeguarding of shareholders' interests and the Company's assets;
- set the Company's values and standards (including ethical standards), and ensure that obligations to shareholders and other stakeholders are understood and met;
- Consider sustainability issues, e.g. environmental, governance and social factors, as part of its strategic formulations
- review and approve the recommended remuneration framework and packages for the Board and key management personnel;
- review the performance of the Board, set the criteria for selection of directors and to nominate directors for shareholders' approval; and
- Ensure that communications with shareholders are accurate, adequate and timely.

h. To assist the Board in the execution of its responsibilities, the Board has constituted various Board committees, namely the Audit Committee, Nomination and Remuneration Committee, Stakeholders Relationship Committee.

The role and function of each committee is disclosed in subsequent sections in this report. While these committees are delegated with responsibilities as provided in their Terms of Reference, the decision making powers have been delegated to the Board of Directors as a whole.

All Board Committees are constituted with clear Terms of Reference to assist the Board in discharging its functions and responsibilities.

1. COMMITTEES OF THE BOARD OF DIRECTORS: -

The Committees constituted by the Board focus on specific areas and take informed decisions within the framework designed by the Board and make specific recommendations to the Board on matters in their areas or purview.

All decisions and recommendations of the Committees are placed before the Board for information or for approval, if required. To enable better and more focused attention on the affairs of the Company, the Board has delegated particular matters to the Committees of the Board set up for the purpose.

The Board has constituted Four (4) statutory committees as on 31st March 2024:

- Audit Committee (AC)
- Nomination and Remuneration Committee (NRC)
- Stakeholders Relationship Committee (SRC)
- Risk Management Committee (RMC)

The terms of reference of the Committees are determined by the Board from time to time. The respective Chairman of the Committee informs the summary of discussions held in the Committee Meetings to the Board.

The Minutes of the Committee Meetings are tabled at the respective Committee Meetings. The role and composition of these Committees, including the number of meetings held during the financial year and the related attendance, are provided below.

A. AUDIT COMMITTEE

The Board has constituted a qualified and independent Audit Committee in line with the provisions of Regulation 18 of the Listing Regulations, read with Section 177 of the Companies Act, 2013 and is in due compliance of all the provisions stated therein. The Committee has full access to financial information.

i. TERMS OF REFERENCE: -

The Terms of Reference of the Audit Committee are broadly as follows:

- 1) Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- 2) Recommendation for appointment, remuneration and terms of appointment of auditors of the company;
- 3) Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
- 4) Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:
 - a. Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of section 134 of the Companies Act, 2013;
 - b. Changes, if any, in accounting policies and practices and reasons for the same;
 - c. Major accounting entries involving estimates based on the exercise of judgment by management;



- d. Significant adjustments made in the financial statements arising out of audit findings;
- e. Compliance with listing and other legal requirements relating to financial statements;
- f. Disclosure of any related party transactions;
- g. Modified opinion(s) in the draft audit report;
- 5) Reviewing, with the management, the quarterly financial statements before submission to the board for approval;
- 6) Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
- 7) Reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;
- 8) Approval or any subsequent modification of transactions of the company with related parties;
- 9) Scrutiny of inter-corporate loans and investments;
- 10) Valuation of undertakings or assets of the company, wherever it is necessary;
- 11) Evaluation of internal financial controls and risk management systems;
- 12) Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
- 13) Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
- 14) Discussion with internal auditors of any significant findings and follow up there on;
- 15) Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;
- 16) Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
- 17) To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
- 18) To review the functioning of the Whistle Blower mechanism;
- 19) Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate;
- 20) Reviewing the Management letters/ letters of Internal Control weaknesses issued by Statutory Auditors;
- 21) Review of Management discussion and analysis of financial condition and results of operations;
- 22) Review of Internal audit reports relating to internal control weaknesses;
- 23) Review of appointment, removal and terms of remuneration of the Chief internal auditor;
- 24) Reviewing the utilization of loans and/ or advances from/investment by the holding company in the subsidiary exceeding rupees 100 crore or 10% of the asset size of the subsidiary, whichever is lower;
- 25) Consider and comment on rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation etc., on the company and its shareholders;
- 26) Review of the following statement of deviations:



- a. Quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to Stock Exchange(s) in terms of Regulation 32(1);
 - b. Annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice in terms of Regulation 32(7);
- 27) Approval of all Related Party Transactions and subsequent material modifications of transactions of the company with related parties;
 - 28) Review of the information provided by the company for approval of proposed Related Party Transactions;
 - 29) Review of the status of long-term (more than one year) or recurring Related Party Transactions on an annual basis; and
 - 30) Carrying out any other function as may be required in pursuance of the decision of the Board of Directors of the Company or any provisions under the Companies Act, 2013 or SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, or any other applicable laws.

ii. COMPOSITION OF AUDIT COMMITTEE: -

As on 31st March, 2024, the Audit Committee is comprised of Four (4) Directors. All members of the Audit Committee are financially literate having expertise in the fields of Finance, Taxation, Economics, Risk and International Finance. The composition of the Audit Committee is given below:

| Name of the Director | Category |
|---------------------------------------|--------------------------------------|
| Mr. Shaileshkumar Ambalal Patel | Chairman – Independent Director |
| Mrs. Parulben Niketkumar Shah | Non-Executive Director |
| Mr. Sunil Vishnuprasad Purohit | Non-Executive - Independent Director |
| Mr. Amitkumar Chandrakantbhai Trivedi | Non-Executive - Independent Director |

Mrs. HINISHA PATEL, Company Secretary, acts as the Secretary of the Audit Committee.

iii. MEETINGS AND ATTENDANCE: -

During the Financial Year ending on 31st March, 2013 the Committee met Four (4) times on 30/05/2023, 14/08/2023, 01/11/2023, 07/02/2024. The time elapsed between any two consecutive meetings did not exceed 120 days.

| Name of the Director | No. of meetings attended |
|---------------------------------------|--------------------------|
| Mr. Shaileshkumar Ambalal Patel | 4 |
| Mrs. Parulben Niketkumar Shah | 4 |
| Mr. Sunil Vishnuprasad Purohit | 4 |
| Mr. Amitkumar Chandrakantbhai Trivedi | 4 |

All the Audit Committee Meetings are attended by Chief Financial Officer of the company as an Invitee. Partner of Internal Auditors- M/s. BPA & Company also attends the audit committee meetings as invitee.

The Committee relies on the expertise and knowledge of the Management and the Internal Auditor, in carrying out its oversight responsibilities. The Audit Committee also considers taking professional advice from external experts, as and when required.

The minutes of Audit Committee Meetings are placed in the next meeting of the Board.

Total fees for all services paid by the Company to the Statutory Auditors is given below:

(Rs. In Lakh)

| M/s. K.C.Parikh & Associates. | FY 2023-24 |
|-------------------------------|-------------|
| Audit Fees | 1.45 |
| Taxation Matters | 0.15 |
| Other Services | 0.00 |
| Total | 1.60 |

B. NOMINATION AND REMUNERATION COMMITTEE (NRC)

The NRC of the Company functions according to its terms of reference, its objectives, composition, meeting requirements, authority and power, responsibilities, reporting and evaluation functions in accordance with Section 178 of the Act and Regulation 19 read with Part D of Schedule II of the SEBI Listing Regulations.

i. TERMS OF REFERENCE: -

The Nomination and Remuneration Committee (NRC) aims at establishing a formal and transparent process for the appointment / re-appointment of Directors. The Nomination Committee is responsible to:

The role of Nomination and Remuneration Committee, inter alia, includes:

- 1) Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board of Directors their appointment and removal;
- 2) Recommend to the Board, all remuneration, in whatever form, payable to senior management;
- 3) Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the board of directors a policy relating to, the remuneration of the directors, key managerial personnel and other employees;
- 4) Formulation of criteria for evaluation of performance of independent director and the board of directors;
- 5) To carry out evaluation of every Director's performance;
- 6) Ensure that level and composition of remuneration is reasonable and sufficient, the relationship of remuneration to performance is clear and meets appropriate performance benchmarks;
- 7) To retain, motivate and promote talent and to ensure long term sustainability of talented managerial persons and create competitive advantage;
- 8) To ensure that as per the prevailing HR policy of the Company there is an appropriate induction program for newly appointed Key Managerial Personnel and new Senior Management personnel;
- 9) To provide the Key Managerial Personnel and Senior Management personnel with reward based fixed and incentive pay which is directly linked to their efforts, performance, dedication, achievement and operations of the Company;
- 10) To assist the Board in fulfilling its responsibilities;
- 11) To perform such other functions as may be necessary or appropriate for the performance of its duties;
- 12) For every appointment of an independent director, the Nomination and Remuneration Committee shall evaluate the balance of skills, knowledge and experience on the Board and on the basis of such evaluation, prepare a description of the role and capabilities required of an independent director. The person recommended to the Board for appointment as an independent director shall have the capabilities identified in such description. For the purpose of identifying suitable candidates, the Committee may:
 - a. use the services of an external agencies, if required;
 - b. consider candidates from a wide range of backgrounds, having due regard to diversity; and
 - c. consider the time commitments of the candidates;
- 13) Devising a policy on diversity of Board of Directors; and
- 14) Whether to extend or continue the terms of appointment of the independent director, on the basis of the report of performance evaluation of independent director.



ii. COMPOSITION & MEETINGS OF NOMINATION AND REMUNERATION COMMITTEE: -

As on 31st March, 2024, the Nomination & Remuneration Committee is comprised of three (3) Non-Executive Independent Directors and One (1) Non-Executive Non-Independent Director. The Nomination and Remuneration Committee held two meetings during the relevant financial year on 26th of September, 2023 and 13th of February, 2024.

The composition of the Nomination & Remuneration Committee and the details of meetings attended by its members are appearing hereinafter:

| Name of the Director | Category | No. of Meetings attended |
|---------------------------------------|--|--------------------------|
| Mr. Shaileshkumar Ambalal Patel | Non-Executive - Independent Director | 2 |
| Mr. Sunil Vishnuprasad Purohit | Non-Executive - Independent Director | 2 |
| Mr. Amitkumar Chandrakantbhai Trivedi | Non-Executive - Independent Director | 2 |
| Mrs. Parulben Niketkumar Shah | Non-Executive – Non-Independent Director | 2 |

iii. ANNUAL PERFORMANCE EVALUATION OF BOARD OF DIRECTORS & INDIVIDUAL DIRECTORS: -

The Nomination and Remuneration Committee (NRC) has laid down criteria for evaluation of the performance of the Board of Directors, Committees of the Board and individual directors (Independent and Non-Independent Directors) Pursuant to the provisions of the Act and Listing Regulations, the NRC and the Board of Directors have carried out the Annual performance evaluation of the Board of Directors, Committees of the Board and individual directors (Independent and Non-Independent Directors) based on the criteria laid down by NRC. An exercise was carried out to evaluate the performance of individual Directors. The Chairman of the Board of Directors and the Chairman of Nomination and Remuneration Committee met the Directors individually to get an overview of functioning of the Board and its constituents inter alia on the following broad criteria:

- attendance and acquaintance with business level of participation,
- independence of judgement exercised by Independent Directors,
- vision and strategy
- Interpersonal relationship etc.
- effective participation, domain knowledge.

iv. PECUNIARY RELATIONSHIP OR TRANSACTION: -

During the current financial year 2023-24 there was no pecuniary relationship or transaction with Non-Executive Directors of the company other than payment of Sitting Fees to Independent Directors for attending Board Meetings

v. PAYMENT TO NON EXECUTIVE DIRECTORS: -

Your company does not pay sitting fees or any remuneration to any of its Non-Executive Directors

vi. REMUNERATION TO EXECUTIVE DIRECTOR: -

In FY 2023-24, the Company has paid Rs. 30 Lacs to its Executive Directors as Remuneration. The remuneration paid is within the limits approved by the Shareholders.

Given below are details pertaining to payment of Managerial Remuneration for FY 2023-24:

(Rs. In Lakh)

| Particulars | Remuneration paid for FY 2023-24 |
|--------------|----------------------------------|
| Gross Salary | 30.00 |
| Perquisites | -- |
| Total | 30.00 |



The Company is paying remuneration to its Executive Directors in compliance with Section II of Part II of Schedule V of the Companies, Act, 2013.

The Company does not have any Employee Share Option Scheme or Employee Stock Purchase Scheme or any long-term incentive scheme.

C. STAKEHOLDERS RELATIONSHIP COMMITTEE

The Board has constituted the Stakeholders’ Relationship Committee in line with the provisions of Regulation 20 of the Listing Regulations, read with Section 178 of the Companies Act, 2013 and is in due compliance of all the provisions stated therein.

i. TERMS OF REFERENCE: -

- 1) To allot the Equity Shares of the Company, and to supervise and ensure;
- 2) To attend to requests from the shareholders for transfer / transmission of shares and all matters incidental or related thereto;
- 3) To attend to matters relating dematerialization / re-materialization of shares / other securities and all matters incidental or related thereto;
- 4) To advise the Board on matters incidental or relating to issue of Bonus Shares & Rights Shares, etc.;
- 5) To consider and resolve grievances of the security holders of the Company, including complaints related to the transfer / transmission of shares, non-receipt of annual report and non-receipt of declared dividends;
- 6) To review the measures taken for effective exercise of voting rights by shareholders;
- 7) To review adherence to the service standards adopted by the Company in respect of various services being rendered by the Registrar & Share Transfer Agent;
- 8) To review various measures and initiatives taken by the Company for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the Company;
- 9) To investigate complaints relating to allotment of shares, approval of transfer or transmission of shares or any other securities;
- 10) To attend to issue of duplicate certificates and new certificates on split / consolidation / renewal;
- 11) To attend to matters relating to compliance with the SEBI (LODR) Regulations, 2015 and other statutory requirements concerning the interests of holders of shares and other securities; and
- 12) To carry out any other function as may be required in pursuance of the decision of the Board of Directors of the Company or any provision under the Companies Act, 2013 or SEBI (LODR) Regulations, 2015 or any other applicable law.

ii. COMPOSITION & MEETINGS OF SRC COMMITTEE: -

In compliance of provisions of Section 178 of Companies Act, 2013 & Regulation 20 of the SEBI (LODR) Regulations, 2015, the Board has constituted Stakeholders’ Relationship Committee. As on 31st March, 2024, the Stakeholders’ Relationship Committee is comprised of One (1) Non-Executive Independent Directors One (1) Non-Executive Non-Independent Director and Two (2) Executive Directors. Two (2) meetings of the SRC was held on 14.08.2023 and 01.11.2023.

The composition of the SRC Committee and the details of meetings attended by its members are appearing hereinafter:

| Name of the Director | Category | No. of Meetings attended |
|---------------------------------|------------------------------------|--------------------------|
| Mrs. Parulben Shah- Chairman | Non-Executive - Director | 2 |
| Mr. Mr. Hital Shah- Member | Executive Director | 2 |
| Mr. Niket Shah- Member | Executive Director | 2 |
| Mr. Shaileshkumar Ambalal Patel | Non-Executive Independent Director | 2 |



During the year under review, Nil shareholders' complaint was received and Nil was resolved. No shareholders' complaint was pending as on 31st March, 2024.

Mrs. HINISHA PATEL, Company Secretary of the company acts as a Compliance Officer for the Stakeholders Relationship Committee.

iii. REDRESSAL OF INVESTOR GRIEVANCES:

The Company and its Registrar and Share Transfer Agent address the complaints and grievances of its shareholders expeditiously and replies are sent usually within 15 days except in case of dispute over facts or other legal impediments and procedural issues. The Company endeavors to implement suggestions as and when received from the investors.

D. RISK MANAGEMENT COMMITTEE

The Risk Management Committee as per Regulation 21(5) of the SEBI (LODR) Regulations, 2015 is not applicable to the Company as the Company does not fall under top 1000 listed Companies on the basis of market capitalization. However, as a part of good corporate governance, your Company has constituted a Risk Management Committee in compliance with Regulation 21(1) of the SEBI (LODR) Regulations, 2015.

As per Regulation 17(9) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is required to lay down the procedures about the risk assessment and minimization procedures.

The meeting of Risk Management Committee was not held during the year under review.

i. The Composition of the Risk Management Committee is as follow:

| Name of Members | Designation | Category of Director |
|-------------------------------|-------------|------------------------|
| Mr. Niket Shah | Chairman | Managing Director |
| Mr. Hital Shah | Member | Whole-Time Director |
| Mrs. Parulben Niketkumar Shah | Member | Non-Executive Director |

ii. The Terms of Reference of the Risk Management Committee are broadly as follows:

- 1) To ensure that all the current and future material risk exposures of the Company are identified, assessed, quantified, appropriately mitigated, minimized and managed i.e. to ensure adequate systems for risk management;
- 2) To establish a framework for the Company's risk management process and to ensure its implementation;
- 3) To enable compliance with appropriate regulations, wherever applicable, through the adoption of best practices; and
- 4) To achieve business growth with financial stability.

The detailed terms of reference of the Risk Management Committee is available on the website of the Company and can be downloaded from the weblink: <https://hilltonegases.com/pdf/codesandpolicies/Risk%20Management.pdf>

2. GENERAL BODY MEETINGS: -

The details of date, time and location of Annual General Meetings (AGM) held in last 3 years and Special Resolutions passed are as under: -

| Financial Year | Date & Time | Venue | Special – Resolutions passed |
|----------------|--------------------------|--|--|
| 2023-24 | 29.09.2023 at 03:30 p.m. | Through Video Conferencing at the Registered office of the Company | i. Re-Appointment of Niket M. Shah (Din: 00278968) as Managing Director and Revision of Remuneration ii. Re-Appointment of Mr. Hitalbhai Mahendrabhai Shah (DIN: 00279026), Whole-Time Director of The Company and Revision of Remuneration. iii. To approve the re-appointment of Mr. |



| | | | |
|---------|--------------------------|---|--|
| | | | Amitkumar Chandrakantbhai Trivedi (DIN: 08204344), as an Independent Director of the Company for a second term of five consecutive years |
| 2022-23 | 29.09.2022 at 03:30 p.m. | Through Video Conferencing at the Registered office of the Company. | Nil |
| 2021-22 | 09.09.2021 at 03:30 p.m. | Through Video Conferencing at the Registered office of the Company | Nil |

Details of Special Resolution passed last year through postal ballot:

During the financial year ending on 31st March, 2024, Two (2) Special Resolutions were passed through postal ballot. The details of Results of Postal Ballot are as per Scrutinizer's Report available on Company Website <https://hilltonegases.com/investorguide/>

Whether any special resolution is proposed to be conducted through postal ballot:

Any Special Resolution, if required to be passed through Postal ballot during FY 2024-25 shall be passed as per the procedure prescribed under the Companies Act, 2013 and Rules framed thereunder.

3. OTHER DISCLOSURES: -

A. Disclosure of Material Transactions: - Related Party Transaction: -

All transactions entered into with Related Parties as defined under the Companies Act, 2013 and SEBI (Listing Obligations & Disclosure Requirement) Regulation, 2015 during the financial year were in the ordinary course of business and on an arm's length price.

There were no materially significant transactions with related parties. during the financial year which were in conflict with the interest of the Company. Suitable disclosure as required by the Accounting Standards (Ind-AS 24) has been made in the notes to the Financial Statements in this Annual Report. The Policy on Related Party Transaction has been placed on the Company's website at

<https://hilltonegases.com/pdf/codesandpolicies/Related%20Party%20Policy.pdf>

B. Vigil Mechanism / Whistle Blower Policy: -

In line with Regulation 22 of the Listing Regulations and Section 177 of the Act, the Company has formulated a Whistle Blower Policy / Vigil Mechanism for Directors and employees to report genuine concerns about instance of unethical behaviour, actual or suspected fraud or violation of the Company's Code of Conduct. The Whistle Blower Policy is posted on the website of the Company at

<https://hilltonegases.com/pdf/codesandpolicies/Vigil%20Mechanism.pdf>. During the year under review, no complaint has been received under Vigil Mechanism /Whistle Blower Policy.

C. Compliance with Listing Regulations: -

The Company has complied with all the mandatory requirements under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. There was no Non-Compliance by the Company and no penalties or strictures were imposed on the Company by the Stock Exchanges or SEBI or any statutory authority on any matter related to the capital markets during the F.Y. 2023-2024.

D. As required under the Listing Regulations, M/s HUSSAIN BOOTWALA & ASSOCIATES, Practicing Company Secretaries, has certified that none of the directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as director of the Company by the Ministry of Corporate Affairs or any such statutory authority.

E. Prevention of Sexual Harassment (POSH) of Women at workplace: -

Pursuant to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Rules, 2013, the Company has framed a policy on prevention of Sexual Harassment of women at workplace. The Status of complaints during FY 2023-24 is as under: -

| Period | Complaints |
|---|------------|
| Opening as on 01.04.2023 | Nil |
| Received during – 01.04.2023 to 31.03.2024 | Nil |
| Disposed of during – 01.04.2023 to 31.03.2024 | Nil |
| Pending as at 31.03.2024 | Nil |

F. Disclosure of Material Subsidiaries: -

The company has no Subsidiaries, hence above clause is not applicable

G. Certificate on Corporate Governance: -

The Company has obtained a certificate from Practicing Company Secretaries, Hussain Bootwala & Associates regarding compliance of conditions of Corporate Governance prescribed under the Listing agreement with Stock Exchanges which forms part of this report.

H. Shareholder's Information: -

This Chapter read with the information given in the section titled General Shareholders' information constitutes the compliance report on Corporate Governance.

I. Code of Conduct: -

The Company has adopted a code of conduct for its Directors and Senior Management Personnel. All the Board Members and Senior Management Personnel have agreed to follow compliance of code of conduct. The code has been posted on the Company's website at <https://hilltonegases.com/pdf/codesandpolicies/Code%20of%20Conduct.pdf>.

J. Management Discussion and Analysis Report: -

The Management Discussion and Analysis Report on Company's financial and operational performance, Industry trends etc. is presented as the Separate chapter in the Annual Report which forms part of this report as Annexure A.

K. Insider Trading: -

The Company has in place "Code of Conduct to regulate, monitor and report Trading by Insider" and accordingly Company Secretary of the Company closes window for trading in Equity Shares of the Company at the end of every quarter in addition to specific event, if any to comply with said Insider Trading Code.

L. Disclosures regarding Re-appointment of Directors: -

As per the Articles of Association of the Company, one third of the Directors are liable to retire by rotation every year and if eligible, they offer themselves for re-election by the shareholders at the General Meeting. There is no Alternate Director being appointed to the Board. The independent Directors are not liable to retire by rotation.

M. Transfer of shares to Investor Education and Protection Fund (IEPF): -

There were no amount which were required to be transferred, to the Investor Education and Protection Fund by the Company.

N. Discretionary Requirements: -

The table below summarizes compliance status of discretionary requirements of Part E of Schedule II of SEBI (LODR) Regulations, 2015.

| S. No. | Particulars | Status |
|--------|---------------------------------|--|
| 1 | Non-Executive Chairman's office | The Company has a Non-Executive Chairman. |
| 2 | Shareholders Rights | The quarterly and year to date financial results are published in the newspapers and are also posted on the website of Calcutta Stock Exchange and website of the Company, the |



| | | |
|----|--|--|
| | | same are not being sent to the shareholders. |
| 3 | Modified Opinion in Audit Report | The Audit Opinion for Financial Statements as on 31st March, 2024 is unmodified. |
| 4 | Separate posts of Chairman and MD or CEO | There is a separate post of Chairman and Managing Director. |
| 5. | Reporting of Internal Auditor | The Internal Auditor of the company reports to the Audit Committee at the Audit Committee Meeting held on quarterly basis. |

O. Means of Communication: -

i. Financials Results: -

The quarterly and year to date financial results (unaudited / audited) are published in one English language and one Gujarati Language Newspaper.

ii. Website Display: -

The Company's policies, financial results, all information submitted to stock exchange, etc. are displayed on the Company's website <https://hilltonegases.com/codes-and-policies.php>.

4. GENERAL SHAREHOLDER INFORMATION: -

| Annual General Meeting: | 13 th September at 3.30 p.m. through Video Conferencing /Other Audio Visual Means (VC). | | | | | | | | | | | | | | | |
|--|--|--------------------------|----------------------|--------------------------|----------|-----------|-------|------------|--|--|------|-----------|-------|------|-----------|-------|
| Financial Year: | April 01, 2023 to March 31, 2024 | | | | | | | | | | | | | | | |
| Dividend Payment Date: | N.A. | | | | | | | | | | | | | | | |
| Listing Details: | Equity Shares are listed on the following Stock Exchanges: Calcutta Stock Exchange The Annual Listing Fees for the year 2024-2025 has been paid to CSE | | | | | | | | | | | | | | | |
| Stock Code: | CSE 18077 | | | | | | | | | | | | | | | |
| Market Price Date | As the Shares are not traded at Calcutta Stock Exchange, the Market Value of Share Price of Company is stagnant at Rs. 10/- per Share | | | | | | | | | | | | | | | |
| ISIN Number: | INE168C01013 | | | | | | | | | | | | | | | |
| Corporate Identification Number: | L72200GJ1993PLC020620 | | | | | | | | | | | | | | | |
| Registrar and Share Transfer Agent: | Mcs Share Transfer Agent Limited 101, Shatdal complex, Opp Bata Show Room, Ashram Road,Ahmedabad-380009 Phone-(079)26580461/62/63, Email: mcsstaahmd@gmail.com | | | | | | | | | | | | | | | |
| Share Transfer System: | Mcs Share Transfer Agent Limited, is Registrar & Share Transfer Agent of the Company. The Share Transfer and Share Dematerialization is processed by Link Intime India Private Limited, Ahmedabad. The transfer of shares in Depository mode need not be approved by the Company. The Physical transfers of shares are approved by Share Transfer Committee. | | | | | | | | | | | | | | | |
| Distribution of Shareholding & Category-wise Distribution: | Refer Table B | | | | | | | | | | | | | | | |
| Dematerialization of shares and liquidity: | As on 31 st March, 2024, 82.42% of the paid-up share capital (face value of Equity Shares of Rs. 10/- each) is held in Demat form with NSDL and CDSL. | | | | | | | | | | | | | | | |
| | <table border="1"> <thead> <tr> <th>Mode</th> <th>No. of Equity Shares</th> <th>% to Total Share Capital</th> </tr> </thead> <tbody> <tr> <td>Physical</td> <td>19,21,500</td> <td>17.58</td> </tr> <tr> <td>Electronic</td> <td></td> <td></td> </tr> <tr> <td>NSDL</td> <td>59,41,050</td> <td>54.35</td> </tr> <tr> <td>CDSL</td> <td>30,68,250</td> <td>28.07</td> </tr> </tbody> </table> | Mode | No. of Equity Shares | % to Total Share Capital | Physical | 19,21,500 | 17.58 | Electronic | | | NSDL | 59,41,050 | 54.35 | CDSL | 30,68,250 | 28.07 |
| Mode | No. of Equity Shares | % to Total Share Capital | | | | | | | | | | | | | | |
| Physical | 19,21,500 | 17.58 | | | | | | | | | | | | | | |
| Electronic | | | | | | | | | | | | | | | | |
| NSDL | 59,41,050 | 54.35 | | | | | | | | | | | | | | |
| CDSL | 30,68,250 | 28.07 | | | | | | | | | | | | | | |



| | | | |
|--|--|-------------|--------|
| | Total | 1,09,30,800 | 100.00 |
| Outstanding GDR / ADR / Warrants or any Convertible Instruments and their likely impact on Equity: | NIL | | |
| Commodity price risk or foreign exchange risk and hedging activities: | NIL | | |
| Plant Locations: | Plot No 54, 71, 78, 81, Siddhivinayak Estate, Santej- Vadsar Rd, Vill: Santej, Tal.: Kalol Dist.: Gandhinagar- 382721. | | |
| Address for Correspondence: | All enquiries, clarification and correspondence should be addressed to the Company Secretary and Compliance Officer: Mrs. HINISHA PATEL- Company Secretary B/4, K B Complex, Dairy Road, Mehsana, Gujarat, India, 384002 M: +91 98250 70110 / +91 9825070680 E-mail: secretarial.hilltone@gmail.com | | |
| Credit Ratings | Nil | | |

TABLE A

Distribution of Shareholding: 31.03.2024: -

| Category | Shareholders | | Total Shares of Rs.10/- each | |
|----------------|--------------|------------|------------------------------|------------|
| | Number | Percent | Number | Percent |
| 1-500 | 676 | 57.24 | 2,72,000 | 2.49 |
| 501-1000 | 331 | 28.03 | 3,09,900 | 2.84 |
| 1001-2000 | 46 | 3.90 | 71,600 | 0.66 |
| 2001-3000 | 20 | 1.69 | 54,500 | 0.50 |
| 3001- 4000 | 15 | 1.27 | 57,000 | 0.52 |
| 4001- 5000 | 8 | 0.68 | 37,600 | 0.34 |
| 5001-10000 | 24 | 2.03 | 1,70,900 | 1.56 |
| 10001- & ABOVE | 61 | 5.17 | 99,57,300 | 91.09 |
| Total | 1181 | 100 | 1,09,30,800 | 100 |

TABLE B

Shareholding Pattern as on 31.03.2024: -

| Sr. No. | Category | No. of Shares | Total Value (Rs) | % |
|-----------|--------------------------------|--------------------|---------------------|---------------|
| I. | Promoters Shareholding: | | | |
| | Promoters and Promoter Group | 14,03,500 | 1,40,35,000 | 12.84 |
| II | Public Shareholding: | | | |
| 1 | Body Corporate - LLP | 3,50,200 | 35,02,000 | 3.21 |
| 2 | Clearing Members | - | - | |
| 3. | Hindu Undivided Family | - | - | |
| 4 | Non-Resident Indians | 12,00,000 | 1,20,00,000 | 10.98 |
| 5. | Other Bodies Corporate | - | - | |
| 6. | Individuals | 79,77,100 | 7,97,71,000 | 72.98 |
| | TOTAL : | 1,09,30,800 | 10,93,08,000 | 100.00 |

For and on behalf of the Board

NIKET M. SHAH
Managing Director
DIN: 00278968

HITAL M. SHAH
Executive Director
DIN: 00279026

Date: 14th August, 2024
Place: Mehsana

CERTIFICATE ON CORPORATE GOVERNANCE

To,
The Members,
HILLTONE SOFTWARE AND GASES LIMITED
B/4, K B COMPLEX, DAIRY ROAD,
MEHSANA 384002

1. We have examined the compliance of conditions of Corporate Governance of HILLTONE SOFTWARE AND GASES LIMITED (“the Company”) for the year ended on March 31st, 2024 as stipulated in Regulations 17 to 27 and clauses (b) to (i) of Regulation 46 (2) and other applicable regulations of Chapter IV pertaining to Corporate Governance and paragraphs C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 [collectively referred to as “SEBI Listing Regulations”].

Management’s Responsibility for compliance with the conditions of SEBI Listing Regulations

2. The compliance with the conditions of Corporate Governance is the responsibility of the management of the Company, including the preparation and maintenance of all relevant supporting records and documents. This responsibility includes the design, implementation and maintenance of internal control and procedures to ensure the compliance with the conditions of the Corporate Governance stipulated in SEBI Listing Regulations.

Our Responsibility

3. Our responsibility is limited to examining the procedures and implementation thereof, adopted by the Company for ensuring the compliance with the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
4. We have examined the relevant records and documents maintained by the Company for the purposes of providing reasonable assurance on the compliance with the Corporate Governance requirements by the Company.
5. We have conducted our examination in accordance with the Guidance Note on Corporate Governance Certificate and the Guidance Manual on Quality of Audit & Attestation Services issued by the Institute of Company Secretaries of India (“ICSI”).

Opinion

6. In our opinion and to the best of our information and according to the explanations given to us and the representation made by the directors and the management, we hereby certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above-mentioned SEBI Listing Regulations.
7. We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Restriction on use

8. The certificate is addressed and provided to the members of the Company solely for the purpose to enable the Company to comply with the requirement of the SEBI Listing Regulations, and it should not be used by any other person or for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this certificate is shown or into whose hands it may come without our prior consent in writing.

Place : AHMEDABAD
Date : 16/08/2024

HUSSAIN BOOTWALA & ASSOCIATES
FRN: S2022GJ854400

HUSSAIN BOOTWALA
ACS No: 49591
C.P. No: 23980
PRC: 3936/2023
UDIN: A049591F000988078



ANNEXURE C

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

1. Details of contracts or arrangements or transactions not at arm's length basis: No such transactions were entered during the financial year 2023-24.
2. Details of material contracts or arrangement or transactions at arm's length basis:

| Name(s) of the related party and nature of relationship | Nature of transactions | Duration of the transactions | Salient terms of the contracts or arrangements or transactions including the value, if any: | Date(s) of approval by the Board, if any: | Rs. In Lacs |
|---|------------------------|------------------------------|---|---|----------------------------------|
| | | | | | Amount paid as advances, if any: |
| Dhanlaxmi Distributors Enterprises having Significant Influence | Sales | Yearly | NA | 10/04/2023 | -- |

On behalf of the Board of Director

NIKET M. SHAH
(Managing Director)
DIN: 00278968

HITAL M. SHAH
(Executive Director)
DIN: 00279026

Date: 14th August, 2024
Place: Mehsana

ANNEXURE – D

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 | 7.46 |
| 2 | Hital M. Shah | Whole time Director | 7.46 |

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 | 300 % |
| 2 | Hital M. Shah | Whole time Director | 300 % |
| 3 | HINISHA PATEL* | Company Secretary | NA |

**Appointed in current year*

c) The percentage increase in the median remuneration of employees in the financial year 23-24: NA

d) The number of permanent employees on the rolls of the Company as on 31st March 2024: 17 Employees

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

The managerial remuneration has increased due to upcoming projects and increase in work load of Company.

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: 14th August, 2024

Place: Mehsana

**NIKET M. SHAH
(Managing Director)
DIN: 00278968**

**HITAL M. SHAH
(Executive Director)
DIN: 00279026**

ANNEXURE E
MANAGING DIRECTOR AND CHIEF FINANCIAL OFFICER CERTIFICATION

To,

Board of Directors

Hilltone Software and Gases Limited

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

1. We have reviewed the Balance Sheet and Profit and Loss account, its schedule and notes to the accounts and cash flow statements for the year ended 31st March 2024 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: 14th August, 2024

Place: Mehsana

Niket M. Shah
Managing Director
(DIN: 00278968)

Prafullbhai R Makvana
Chief Financial Officer

ANNEXURE E**Form No. MR-3**

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

SECRETARIAL AUDIT REPORT

For the Financial Year ended on 31st March, 2024

To,

The Members,

HILLTONE SOFTWARE AND GASES LIMITED

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. (hereinafter called the company). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the HILLTONE SOFTWARE AND GASES LIMITED (name of the company's) books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the company has, during the audit period covering the financial year ended on 31st March, 2024 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by HILLTONE SOFTWARE AND GASES LIMITED ("the Company") for the financial year ended on 31st March, 2024, according to the provisions of:

- i. The Companies Act, 2013 (the Act) and the rules made thereunder;
- ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- iv. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
 - c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
 - d. The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
 - e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;

- f. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
- g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
- h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;

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

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

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

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

I further report that the Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. There were no changes in the composition of the Board of Directors during the period under review.

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

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

I further report that based on review of compliance mechanism established by the company we are of opinion that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

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

Place : AHMEDABAD

Date : 14/08/2024

HUSSAIN BOOTWALA & ASSOCIATES

FRN: S2022GJ854400

HUSSAIN BOOTWALA

ACS No: 49591

C.P. No: 23980

PRC: 3936/2023

UDIN: A049591F000967277

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

ANNEXURE-A

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

Sir,
Sub: Secretarial Audit Report for the Financial Year ended on 31st March, 2024

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

1. Maintenance of Secretarial records is the responsibility of the management of the company. Our responsibility is to express an opinion on these records based on our audit.
2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on a test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
4. Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

Place : AHMEDABAD
Date : 14/08/2024

HUSSAIN BOOTWALA & ASSOCIATES
FRN: S2022GJ854400

HUSSAIN BOOTWALA
ACS No: 49591
C.P. No: 23980
PRC: 3936/2023
UDIN: A049591F000967277

ANNEXURE G

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

A. CONSERVATION OF ENERGY

a. Energy conservation measures:

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

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

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

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

Consumption of energy has been optimised to the extent possible.

d. Total energy consumption per unit of production.

| | | | <u>2023-24</u> | <u>2022-23</u> |
|---|---|------|-----------------------|-----------------------|
| 1 | Electricity Purchased | | | |
| | Units | Kwh | 50967 | 60828 |
| | Total amount | Rs. | 481427 | 524484.6 |
| | Rate / Unit | Rs. | 9.44 | 8.62 |
| | Own Generation | | | |
| | Through Diesel Generator (Units) | | | |
| | Unit per ltr of Diesel Oil | | NIL | NIL |
| | Cost / Unit | | NIL | NIL |
| | Through Steam Turbine Generator (Units) | | NIL | NIL |
| | Diesel : | | | |
| | Quantity | Ltrs | NIL | NIL |
| | Total Amount | Rs. | NIL | NIL |
| | Average rate | Rs. | NIL | NIL |

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 | 2023-24 | 2022-23 |
|-------------------------|-----------|---------|
| Foreign Exchange Earned | - | - |
| Foreign Exchange Used | 70000 USD | - |

On behalf of the Board of Directors

Date: 14th August, 2024

Place: Mehsana

NIKET M. SHAH
(Managing Director)
DIN: 00278968

HITAL M. SHAH
(Executive Director)
DIN: 00279026

ANNEXURE – H

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 31st, 2024.

On behalf of the Board of Directors

NIKET M. SHAH
(Managing Director)
DIN: 00278968

Date: 14th August, 2024

Place: Mehsana

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 2024, the Statement of Profit and Loss and the Statement of Cash Flows for the year then ended and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March 2024, and its profits and cash flows for the year ended on that date.

Basis for Opinion

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

Key Audit Matters

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

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

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

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

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

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

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Indian Accounting Standards (IND AS) specified under

section 133 of the Act and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

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

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

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

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably

knowledgeable user of the standalone financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the standalone financial statements.

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

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

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

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit, we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c) The Balance Sheet, the Statement of Profit and Loss and the Statement of Cash Flows dealt with by this Report are in agreement with the books of account.
 - d) In our opinion, the aforesaid standalone financial statements comply with the Indian Accounting Standards (IND AS) specified under Section 133 of the Act.
 - e) On the basis of the written representations received from the directors as on 31st March, 2024 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2024 from being appointed as a director in terms of Section 164(2) of the Act.
 - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
 - g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended, we report that:
According to the records of the Company examined by us and the information and explanation given to us, the Company has paid/ provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.
 - h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company does not have any pending litigations which would impact its financial position
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
 - iv.
 - a) The Management has represented that, to the best of its knowledge and belief, the Standalone Financial Statements, no funds (which are material

- either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
- b) The Management has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
- c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.
- v. The Company has not declared or paid any dividend during the year in contravention of the provision of Section 123 of the Companies Act, 2013.
- vi. Based on our examination which included test checks, the company has used an accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software. Further, during the course of our audit we did not come across any instance of audit trail feature being tempered with.
2. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

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

Date : 11/05/2024
Place : Ahmedabad

CA Kishor C. Parikh
Partner
M.No. : 038060
UDIN : 24038060BKBLGG6286

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 2024 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 March 31, 2024, 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 Reg. No. 107550W)

Date : 11/05/2024
Place : Ahmedabad

CA Kishor C. Parikh
Partner
M.No. : 038060
UDIN : 24038060BKBLGG6286

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

- i) a) The company has maintained proper records showing full particulars including quantitative details and situation of Property, Plant and Equipment.
- b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has a regular programme of physical verification of its Property, Plant and Equipment by which all property, plant and equipment are verified in a phased manner over a period of three years. In accordance with this programme, certain property, plant and equipment were verified during the year. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
- c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not revalued its Property, Plant and Equipment or intangible assets or both during the year.
- d) According to information and explanations given to us and on the basis of our examination of the records of the Company, there are no proceedings initiated or pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.
- ii) a) The inventory, except goods-in-transit and stocks lying with third parties, has been physically verified by the management during the year. For stocks lying with third parties at the year-end, written confirmations have been obtained and for inward goods-in-transit subsequent evidence of receipts has been linked with inventory records. In our opinion, the frequency of such verification is reasonable and procedures and coverage as followed by management were appropriate. No discrepancies were noticed on verification between the physical stocks and the book records that were more than 10% in the aggregate of each class of inventory.
- b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has been sanctioned working capital limits of Rs. Sixty lakhs only (Rs. 60,00,000/-), in aggregate, from Mehsana Urban Co-op. Bank. Ltd. on the basis of security against hypothecation of empty gas cylinder, immovable property, personal guarantee of directors and book debts of the Company. Copies of quarterly returns or statements, furnished to bank have also been made available for our verification. We have verified the same and found in agreement with books of accounts. Discrepancies noticed during such verification, were reasonably explained by the management.

(Amount in Lakhs)

| Quarter ended on | As per Stock Statement | As per Books | Difference |
|------------------|------------------------|--------------|------------|
| 30.06.2023 | 133.71 | 129.99 | 3.72 |
| 30.09.2023 | 138.04 | 136.76 | 1.28 |
| 31.12.2023 | 165.10 | 164.48 | 0.62 |
| 31.03.2024 | 152.41 | 152.32 | 0.09 |

- iii) a) During the year the company has not made any investments and also not provided any loans or advances in the nature of loans or guarantee to companies, firms, Limited Liability Partnership and other parties..
- b) According to the information and explanations given to us and based on the audit procedures conducted by us, in our opinion the company has not made any investments and also not provided any loans or advances in the nature of loans.
- c) According to the information and explanations given to us and based on the audit

- procedures conducted by us, in our opinion the company has not made any investments and also not provided any loans or advances in the nature of loans.
- d) According to the information and explanations given to us and based on the audit procedures conducted by us, in our opinion the company has not made any investments and also not provided any loans or advances in the nature of loans.
- e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there is no loan granted falling due during the year, which has been renewed or extended or fresh loans granted to settle the overdues of existing loans given to same parties.
- f) According to the information and explanations given to us and based on the audit procedures conducted by us, in our opinion the company has not granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment to Promoters, related parties as defined in clause (76) of section 2 of the Companies Act, 2013.
- iv)** According to the information and explanations given to us and on the basis of our examination of records of the Company has not made any investments or not granted any loans or guarantees or security under sections 185 and 186 of the Companies Act, 2013.
- v)** According to the information and explanations given to us, the Company has not accepted any deposits or amounts which are deemed to be deposits from the public during the year.
- vi)** To the best of our knowledge and as explained, the Central Government has not prescribed maintenance of cost records under sub-section (1) of section 148 of the Companies Act, 2013 for the products of the company.
- vii)** a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, Cess, Goods and Services Tax, and other material statutory dues, in arrears as at March 31, 2024 for a period of more than six months from the date they became payable.
- b) According to the information and explanations given to us and according to the records of the Company examined by us, there are no dues of income tax, service tax, sales tax, excise duty, custom duty and Goods and Services Tax which have not been deposited on account of any dispute.
- viii)** According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not surrendered or disclosed any transactions, previously unrecorded as income in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year.
- ix)** a) According to the information and explanation and as verified from books of accounts, the company has not defaulted in repayment in loan or interest thereon to any lender.
- b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been declared a wilful defaulter by any bank or financial institution or government or government authority.
- c) In our opinion and according to the information and explanations given to us by the management, term loans were applied for the purpose for which the loans were obtained.
- d) According to the information and explanations given to us and on an overall examination of the financial statement of the Company, as at 31 March 2024, we report that no funds raised on short term basis of have been used for long term purposes
- e) According to the information and explanations given to us and on an overall examination of the standalone financial statements of the Company, we report that the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures as defined under the Act.
- f) According to the information and explanations given to us and procedures performed by us, we report that the Company has not raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies (as defined under the Act).

- x)** a) The Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments). Accordingly, clause 3(x)(a) of the Order is not applicable.
- b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the company has utilized funds raised by way of preferential allotment for the purpose for which they were raised.
- xi)** a) During the course of our examination of the books and records of the Company and according to the information and explanations given to us, no material fraud by the Company or on the Company has been noticed or reported during the year, nor we have been informed of such case by management.
- b) According to the information and explanations given to us, there is no instance of fraud reportable under sub-section (12) of Section 143 of the Act has been filed by the auditors in Form ADT-4 as prescribed under Rule 13 of the Companies (Audit and Auditors) Rules, 2014 with the Central Government.
- c) As per information and explanations given by management and audit committee, there were no whistle blower complaints received by the Company during the year.
- xii)** According to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, clause 3(xii) of the Order is not applicable.
- xiii)** In our opinion and according to the information and explanations given to us, the transactions with related parties are in compliance with Section 177 and 188 of the Act, where applicable, and the details of the related party transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.
- xiv)** (a) Based on information and explanations provided to us and our audit procedures, in our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
- (b) We have considered the internal audit reports of the Company issued till date for the period under audit.
- xv)** In our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with its directors or persons connected to its directors and hence, provisions of Section 192 of the Act are not applicable to the Company.
- xvi)** (a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.
- (b) The Company is not a NBFC, hence reporting under this clause is not required.
- (c) The Company is not a NBFC, hence reporting under this clause is not required.
- (d) The Company is not a CIC, hence reporting under this clause is not required
- xvii)** The Company has not incurred cash losses in the current and in the immediately preceding financial year.
- xviii)** There has been no resignation of the statutory auditors during the year. Accordingly, clause 3(xviii) of the Order is not applicable.
- xix)** According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the standalone financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that the Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

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

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

Date : 11/05/2024
Place : Ahmedabad

CA Kishor C. Parikh
Partner
M.No. : 038060
UDIN : 24038060BKBLGG6286

HILLTONE SOFTWARE & GASES LIMITED

Balance Sheet as at March 31, 2024

(Amount in Lakhs)

| Particulars | Notes | As at March 31, 2024 | As at March 31, 2023 |
|-----------------------------------|-------|----------------------|----------------------|
| I. ASSETS | | | |
| Non-current Assets | | | |
| (a)Property, plant and equipment | 3 | 396.36 | 283.00 |
| (b)Intangible assets | 4 | 2.61 | 0.87 |
| (c)Financial assets | | - | - |
| (i)Investments | 5 | 2.30 | 2.30 |
| (iii)Other financial assets | | - | - |
| (d)Other non-current assets | 6 | 334.19 | 186.24 |
| (e)Deferred tax assets (net) | 15 | 6.14 | 2.75 |
| | | 741.60 | 475.16 |
| Current Assets | | | |
| (a)Inventories | 8 | 40.99 | 32.83 |
| (b)Financial assets | | | |
| (i)Trade receivables | 9 | 152.31 | 161.97 |
| (ii)Cash and cash Equivalents | 10 | 47.31 | 37.28 |
| (c)Current tax assets (net) | 7 | - | - |
| (d)Other current assets (net) | 11 | 602.25 | 18.42 |
| | | 842.87 | 250.50 |
| TOTAL | | 1,584.47 | 725.66 |
| II. EQUITY AND LIABILITIES | | | |
| Equity | | | |
| (a)Share capital | 12 | 1,093.08 | 400.03 |
| (b)Other equity | 13 | 288.77 | 121.14 |
| | | 1,381.85 | 521.17 |
| Non-current Liabilities | | | |
| (a)Financial liabilities | | | |
| (i)Borrowings | 14 | 40.33 | 28.48 |
| (b)Other non current liabilities | 16 | 37.94 | 31.91 |
| | | 78.27 | 60.39 |
| Current Liabilities | | | |
| (a)Financial liabilities | | | |
| (i)Borrowings | 14 | 39.34 | 53.66 |
| (ii)Trade payables | 17 | 79.38 | 72.42 |
| (b)Provisions | 18 | 5.32 | 7.19 |
| (c)Current tax liabilities (net) | 7 | 0.31 | 10.83 |
| | | 124.34 | 144.10 |
| TOTAL | | 1,584.47 | 725.66 |

Summary of Significant Accounting Policies 1 & 2
26 to
Accompanying Notes are integral part of the Financials 29, 31
& 32

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

Kishor C Parikh
Partner
Membership No.: 038060
UDIN: 24038060BKBLGG6286

NIKET M. SHAH
Managing Director
DIN:00278968

HITAL M. SHAH
Executive Director
DIN:00279026

Place: Santej
Date: 11/05/2024

Hinisha Patel
Company Secretary
Mem. No: A59842

PRAFULLBHAI MAKVANA
Chief Financial officer

HILLTONE SOFTWARE & GASES LIMITED**Statement of Profit and Loss for the Year ended March 31, 2024****(Amount in Lakhs)**

| Particulars | Notes | Year Ended March 31,2024 | Year Ended March 31, 2023 |
|---|----------------------|---|----------------------------------|
| Income | | | |
| Revenue from operations | 19 | 684.53 | 555.23 |
| Other income | 21 | 48.24 | 13.23 |
| Total Income (I) | | 732.76 | 568.46 |
| Expenses: | | | |
| Purchases of Stock-in-trade | 22 | 448.08 | 382.97 |
| Changes in Inventories of Stock-in-trade | 20 | (8.16) | (21.84) |
| Employee benefits expenses | 23 | 67.33 | 53.40 |
| Finance costs | 24 | 11.85 | 11.32 |
| Other expenses | 25 | 137.77 | 46.40 |
| Depreciation and amortisation expenses | 3/4 | 13.59 | 9.03 |
| Total Expenses (II) | | 670.46 | 481.27 |
| Profit before Tax (I)-(II) | | 62.30 | 87.19 |
| Tax Expenses | | | |
| Current tax | | 15.05 | 13.60 |
| Deferred tax | | (3.38) | (0.76) |
| MAT credit entitlement | | - | 1.15 |
| Profit for the year | | 50.64 | 73.20 |
| 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 | | 50.64 | 73.20 |
| Earnings per equity share of Face Value Rs 10 each: Basic and Diluted (in INR) | 30 | 0.63 | 1.83 |
| Summary of Significant Accounting Policies | 1 & 2 | | |
| Accompanying Notes are integral part of the Financials | 26 to 29, 31 & 32 | | |
| As per our report of even date | | | |
| FOR, K.C Parikh & Associates | | For and on behalf of the Board of Directors of | |
| Chartered Accountants | | HILLTONE SOFTWARE & GASES LIMITED | |
| Firm Registration No. : 107550W | | | |
| Kishor C Parikh | | NIKET M. SHAH | HITAL M. SHAH |
| Partner | | Managing Director | Whole Time Director |
| Membership No.: 038060 | | DIN:00278968 | DIN:00279026 |
| UDIN: 24038060BKBLGG6286 | | | |
| | | Hinisha Patel | PRAFULLBHAI MAKVANA |
| Place: Santej | | Company Secretary | Chief Financial officer |
| Date: 11/05/2024 | | Mem. No: A59842 | |

HILLTONE SOFTWARE & GASES LIMITED**Cash Flow Statement For the year ended March 31, 2024****(Amount in Lakhs)**

| PARTICULARS | Year Ended March 31,2024 | Year Ended March 31,2023 |
|---|---------------------------------|---------------------------------|
| <u>CASH FLOW FROM OPERATION ACTIVITIES :</u> | | |
| Profit before tax | 62.30 | 87.19 |
| Non Cash Expenses / Incomes :- | 13.59 | 9.04 |
| Depreciation and amortisation expenses | 13.59 | 9.03 |
| Loss on sale of Fixed Assets | - | 0.01 |
| Considered Under Different Head :- | (35.56) | 0.52 |
| Interest paid | 11.85 | 12.32 |
| Interest income | (47.06) | (11.79) |
| Dividend income | (0.35) | |
| Changes in Working Capital | (733.49) | (39.17) |
| Trade receivables | 9.66 | (38.14) |
| Inventory | (8.16) | (21.84) |
| Other current assets | (583.83) | 1.93 |
| Trade payables | 6.96 | 22.97 |
| Short term borrowing | (14.32) | 1.75 |
| Other financial liabilities | (1.87) | 4.14 |
| Deposit from vendors received | 6.03 | 2.73 |
| Other non-current assets | (147.95) | (12.70) |
| Direct taxes paid (net) | (25.57) | (0.07) |
| NET CASH FROM OPERATING ACTIVITIES | (718.73) | 57.51 |
| <u>CASH FLOWS FROM INVESTING ACTIVITIES :</u> | | |
| Interest received | 47.06 | 11.79 |
| Dividend income received | 0.35 | |
| Purchase of tangible and intangible assets including CWIP | (128.69) | (13.46) |
| Proceeds from sale of property, plant and equipment | - | 3.80 |
| Investment in shares | - | (0.01) |
| NET CASH GENERATED IN INVESTING ACTIVITIES | (81.29) | 2.13 |
| <u>CASH FLOW FROM FINANCING ACTIVITIES :</u> | | |
| Interest paid | (11.85) | (12.32) |
| Repayment of Loan liability | 11.85 | (15.09) |
| Issuance of Share capital | 810.04 | - |
| NET CASH FLOWS USED IN FINANCING ACTIVITIES | 810.05 | (27.41) |
| NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS | 10.03 | 32.24 |
| Cash and cash equivalents at the beginning of the period | 37.28 | 5.05 |
| CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD | 47.31 | 37.29 |
| Components of cash and cash equivalents | | |
| Cash on hand | 32.95 | 30.40 |
| Cheques in Hand | 6.20 | |
| Balance with banks | 8.17 | 6.88 |
| Fixed deposits with bank (maturity within 12 months) | - | - |
| TOTAL | 47.31 | 37.28 |

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**Kishor C Parikh**
Partner
Membership No.: 038060
Place: Santej
Date: 11/05/2024
UDIN: 24038060BKBLGG6286**NIKET M. SHAH**
Managing Director
DIN:00278968
Hinisha Patel
Company Secretary
Mem. No:A59842**HITAL M. SHAH**
Executive Director
DIN:00279026
PRAFULLBHAI MAKVANA
Chief Financial officer

HILLTONE SOFTWARE & GASES LIMITED

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

(Amount in Lakhs)

| Particulars | Factory Buildings | Plant and Equipment | Computer | Furniture & Fixtures | Office Equipment | Vehicle | Total | Land* |
|---------------------------------|-------------------|---------------------|-------------|----------------------|------------------|--------------|---------------|---------------|
| Gross carrying amount | | | | | | | | |
| As at March 31, 2022 | 61.04 | 175.95 | 6.11 | 12.28 | 6.14 | 16.79 | 278.31 | 149.18 |
| Additions | - | 2.76 | - | 1.01 | 0.14 | 8.67 | 12.57 | - |
| Disposals | - | 3.48 | - | - | - | - | 3.48 | 0.94 |
| As at March 31, 2023 | 61.04 | 175.22 | 6.11 | 13.29 | 6.28 | 25.46 | 287.41 | 148.24 |
| Additions | 2.20 | 110.63 | 1.33 | 0.85 | 1.23 | 10.60 | 126.84 | - |
| Disposals | - | - | - | - | - | - | - | - |
| As at March 31, 2024 | 63.24 | 285.85 | 7.44 | 14.14 | 7.51 | 36.06 | 414.24 | 148.24 |
| Accumulated depreciation | | | | | | | | |
| As at March 31, 2022 | 38.73 | 82.45 | 5.31 | 7.92 | 3.28 | 6.61 | 144.30 | - |
| Additions | 0.81 | 4.52 | 0.26 | 0.62 | 0.74 | 2.06 | 9.01 | - |
| Disposals | - | 0.66 | - | - | - | - | 0.66 | - |
| As at March 31, 2023 | 39.54 | 86.30 | 5.57 | 8.53 | 4.03 | 8.67 | 152.64 | - |
| Additions | 0.85 | 6.75 | 0.46 | 0.84 | 0.98 | 3.59 | 13.47 | - |
| Disposals | - | - | - | - | - | - | - | - |
| As at March 31, 2024 | 40.39 | 93.05 | 6.04 | 9.37 | 5.01 | 12.26 | 166.12 | - |
| Net carrying amount | | | | | | | | |
| As at March 31, 2023 | 21.50 | 88.92 | 0.54 | 4.76 | 2.25 | 16.79 | 134.76 | 148.24 |
| As at March 31, 2024 | 22.85 | 192.80 | 1.41 | 4.77 | 2.50 | 23.80 | 248.13 | 148.24 |

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

HILLTONE SOFTWARE & GASES LIMITED

NOTE 4 :- INTANGIBLE ASSETS

(Amount in Lakhs)

| Particulars | Computer software (for cylinders) | Total |
|---------------------------------|-----------------------------------|-------------|
| Gross carrying amount | | |
| As at March 31, 2022 | 0.51 | 0.51 |
| Additions | 0.89 | 0.89 |
| Disposals | - | - |
| As at March 31, 2023 | 1.39 | 1.39 |
| Additions | 1.86 | - |
| Disposals | - | - |
| As at March 31, 2024 | 3.25 | 3.25 |
| Accumulated depreciation | | |
| As at March 31, 2022 | 0.45 | 0.45 |
| Additions | 0.07 | 0.07 |
| Disposals | - | - |
| As at March 31, 2023 | 0.52 | 0.52 |
| Additions | 0.11 | - |
| Disposals | - | - |
| As at March 31, 2024 | 0.63 | 0.63 |
| Net carrying amount | | |
| As at March 31, 2023 | 0.87 | 0.87 |
| As at March 31, 2024 | 2.61 | 2.61 |

HILLTONE SOFTWARE & GASES LIMITED
Notes to the financial statement as at March 31, 2024

NOTE 5 NON CURRENT INVESTMENTS

| Particulars | March 31, 2024 | March 31, 2023 |
|---|----------------|----------------|
| A. Investment in Others, at cost:- | | |
| 1) Investment in Equity Instrument - Unquoted, fully paid up | | |
| The Mehsana Urban Co Op Bank Ltd | 2.30 | 2.30 |
| TOTAL | 2.30 | 2.30 |
| Particulars | | |
| QUOTED | | |
| UNQUOTED | 2.30 | 2.30 |

NOTE 6 OTHER NON-CURRENT ASSETS

| Particulars | March 31, 2024 | March 31, 2023 |
|--|----------------|----------------|
| Security deposits (Deposits with suppliers) | 194.29 | 180.54 |
| Fixed deposits with Banks (maturity more than 12 months) | 139.90 | 5.70 |
| TOTAL | 334.19 | 186.24 |

NOTE 7 CURRENT TAX ASSETS/ (LIABILITIES)

| Particulars | March 31, 2024 | March 31, 2023 |
|---|----------------|----------------|
| Advance Income Tax (net of Provisions for taxation) | (0.31) | (10.83) |
| TOTAL | (0.31) | (10.83) |

NOTE 8 INVENTORIES

| Particulars | March 31, 2024 | March 31, 2023 |
|---------------|----------------|----------------|
| Stock In Hand | 40.99 | 32.83 |
| TOTAL | 40.99 | 32.83 |

NOTE 9 TRADE RECEIVABLES

| Particulars | March 31, 2024 | March 31, 2023 |
|--|----------------|----------------|
| Trade Receivables considered good - Unsecured | 152.31 | 161.97 |
| Trade Receivables considered good - Secured | - | - |
| Trade Receivables which have significant increase in Credit Risk | - | - |
| Trade Receivables - credit impaired | - | - |
| TOTAL | 152.31 | 161.97 |

Particulars Outstanding for following periods from due date of payment as on 31/03/2024

| | Less than 6 months | 6 months - 1 year | 1-2 years | 2-3 Years | More than 3 years | Total |
|---|--------------------|-------------------|-----------|-----------|-------------------|--------|
| (i) Undisputed Trade receivables – considered good | 13.82 | 110.35 | 28.14 | - | - | 152.31 |
| (ii) Undisputed Trade Receivables – considered doubtful | - | - | - | - | - | - |
| (iii) Disputed Trade Receivables considered good | - | - | - | - | - | - |
| (iv) Disputed Trade Receivables considered doubtful | - | - | - | - | - | - |

Particulars Outstanding for following periods from due date of payment as on 31/03/2024

| | Less than 6 months | 6 months - 1 year | 1-2 years | 2-3 Years | More than 3 years | Total |
|-----|--------------------|-------------------|-----------|-----------|-------------------|-------|
| (i) | | | | | | |

HILLTONE SOFTWARE & GASES LIMITED
Notes to the financial statement as at March 31, 2024

| | | | | | | |
|--|-----------|------------|-----------|---|---|------------|
| Undisputed Trade receivables – considered good (ii) | 1,381,850 | 11,035,370 | 2,814,192 | - | - | 15,231,412 |
| Undisputed Trade Receivables – considered doubtful (iii) | - | - | - | - | - | - |
| Disputed Trade Receivables considered good (iv) | - | - | - | - | - | - |
| Disputed Trade Receivables considered doubtful | - | - | - | - | - | - |

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

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

NOTE 10 CASH AND BANK BALANCES

| Particulars | March 31, 2024 | March 31, 2023 |
|---|----------------|----------------|
| Cash and cash Equivalents | | |
| Cash on Hand | 32.95 | 30.40 |
| Balances with Schedule Banks: | | |
| In Current accounts | 8.17 | 6.88 |
| Cheques in Hand | 6.20 | - |
| Fixed deposit maturity within 12 months | - | - |
| TOTAL | 47.31 | 37.28 |

NOTE 11 OTHER CURRENT ASSETS

| Particulars | March 31, 2024 | March 31, 2023 |
|----------------------------------|----------------|----------------|
| Advances to Vendors | | |
| Others | 17.96 | 10.30 |
| Other Loans and Advances | | |
| Advance to Employees | 8.11 | 3.03 |
| MAT credit entitlement | 0.14 | 4.70 |
| Other Receivables | 576.04 | 0.40 |
| Balance with Revenue Authorities | - | - |
| TOTAL | 602.25 | 18.42 |

HILLTONE SOFTWARE & GASES LIMITED
Notes to the financial statement as at March 31, 2024

NOTE 12 SHARE CAPITAL

| EQUITY SHARE CAPITAL | March 31, 2024 | | March 31, 2023 | |
|---|-------------------|-----------------|------------------|-----------------|
| | No.of Shares | Amount in Lakhs | No.of Shares | Amount in Lakhs |
| Authorised Shares Equity Shares of Rs. 10 each | 12,000,000 | 1,200.00 | 5,000,000 | 500.00 |
| TOTAL | 12,000,000 | 1,200.00 | 5,000,000 | 500.00 |
| Issued, Subscribed and Fully Paid-up Shares Equity Shares of Rs. 10 each fully paid- up | 10,930,800 | 1,093.08 | 4,000,300 | 400.03 |
| TOTAL | 10,930,800 | 1,093.08 | 4,000,300 | 400.03 |

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

| EQUITY SHARE CAPITAL | March 31, 2024 | | March 31, 2023 | |
|--|-------------------|-----------------|------------------|-----------------|
| | No.of Shares | Amount in Lakhs | No.of Shares | Amount in Lakhs |
| Equity Shares At the Beginning of the year | 4,000,300 | 400.03 | 4,000,300 | 400.03 |
| Add: Issued During the Year | 6,930,500 | 693.05 | - | - |
| Outstanding at the End of the year | 10,930,800 | 1,093.08 | 4,000,300 | 400.03 |

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

| Particulars | March 31, 2024 | | March 31, 2023 | |
|-----------------------------|------------------|-----------|------------------|-----------|
| | No.of Equity Sh. | % Holding | No.of Equity Sh. | % Holding |
| NIKET M. SHAH | 615,500 | 5.63 | 615,500 | 15.39 |
| HITAL M. SHAH | 670,000 | 6.13 | 670,000 | 16.75 |
| VIRALI VICKY JHAVERI | 800,000 | 7.32 | - | - |
| RAVEESH DEWAN | 600,000 | 5.49 | - | - |
| PARMINDER SINGH SETHI | 600,000 | 5.49 | - | - |
| RAJESH NANUBHAI JHAVERI HUF | 700,000 | 6.40 | - | - |
| VICKY R. JHAVERI HUF | 700,000 | 6.40 | - | - |

(b) Details of Promoter Holding

| Particulars | March 31, 2024 | | March 31, 2024 | |
|---------------|------------------|-----------|------------------|-----------|
| | No.of Equity Sh. | % Holding | No.of Equity Sh. | % Holding |
| NIKET M. SHAH | 615,500 | 5.63 | 615,500 | 15.39 |
| HITAL M. SHAH | 670,000 | 6.13 | 670,000 | 16.75 |

(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 OTHER EQUITY

| Particulars | March 31, 2024 | March 31, 2023 |
|--|----------------|----------------|
| (a) Capital Reserves* | | |
| Balance as per Last Financial Statements | 9.66 | 9.66 |
| Addition | - | - |

HILLTONE SOFTWARE & GASES LIMITED
Notes to the financial statement as at March 31, 2024

| | | |
|---|---------------|---------------|
| Closing Balance | 9.66 | 9.66 |
| (b)Other Reserves** | | |
| Balance as per Last Financial Statements | 128.55 | 128.55 |
| Addition (Deduction) | - | - |
| Less: Transferred to Depreciation Fund due to Changes in Rates - Effected Retrospectively | | |
| Closing Balance | 128.55 | 128.55 |
| @Security Premium | | |
| Balance as per Last Financial Statements | - | - |
| Addition (Deduction) | 116.99 | - |
| Less: Transferred to Depreciation Fund due to Changes in Rates - Effected Retrospectively | | |
| Closing Balance | 116.99 | - |
| (d)Surplus | | |
| Balance as per Last Financial Statements | (17.07) | (90.28) |
| Net Profit for the year | 50.64 | 73.20 |
| Other comprehensive income | - | - |
| Net Surplus in the Statement of Profit and Loss | 33.56 | (17.07) |
| GRAND TOTAL | 288.77 | 121.14 |

*Capital Investment Subsidy from State Government ** not available for distribution as dividend

NOTE 14 BORROWINGS

| Particulars | Non Current Portion | | Current Portion | |
|---|---------------------|----------------|-----------------|----------------|
| | March 31, 2024 | March 31, 2023 | March 31, 2024 | March 31, 2023 |
| Loans from Others | 9.74 | 13.48 | 3.74 | 5.09 |
| Loans from Bank* | 30.59 | 14.99 | 35.60 | 47.25 |
| Loans from Related Parties (Refer Note 31) | - | - | - | 1.32 |
| The above amount includes:- | | | | |
| <i>Secured Borrowings**</i> | - | 15.67 | 0.68 | 49.78 |
| <i>Unsecured Borrowings</i> | 40.33 | 12.81 | 38.67 | 3.88 |
| TOTAL | 40.33 | 28.48 | 39.34 | 53.66 |

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

NOTE 14 BORROWINGS

| Particulars | Non Current Portion | | Current Portion | |
|---|---------------------|------------------|------------------|------------------|
| | March 31, 2024 | March 31, 2023 | March 31, 2024 | March 31, 2023 |
| Loans from NBFCs | 974,149 | 1,348,438 | 374,289 | 509,181 |
| Loans from Bank* | 3,058,825 | 1,499,203 | 3,559,798 | 4,725,044 |
| Loans from Related Parties (Refer Note 31) | | | - | 132,222 |
| The above amount includes:- | | | | |
| <i>Secured Borrowings**</i> | - | 1,566,666 | 67,563 | 4,978,230 |
| <i>Unsecured Borrowings</i> | 4,032,975 | 1,280,975 | 3,866,524 | 388,217 |
| TOTAL | 4,032,975 | 2,847,641 | 3,934,086 | 5,366,447 |

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

| SR NO | Particular | March 31, 2024 | March 31, 2023 |
|-------|--|------------------------------|------------------------------|
| | | (including Current Maturity) | (including Current Maturity) |
| I | <u>Loans from NBFCs</u> | | |
| 1 | Mahindra & Mahindra Financial Services | 0.67 | 3.21 |

HILLTONE SOFTWARE & GASES LIMITED
Notes to the financial statement as at March 31, 2024

| | | | |
|-----------|---|-------|-------|
| | <p>Rupee term loan of Rs.7.11 lakhs carries interest @ 9.80% p.a. The Loan is repayable in 36 equally monthly instalment starting from 10th Jul'21 of Rs.0.23 lakhs each. The above loan is secured against hypothecation of MAHINDRA BOLERO MAXI TRUCK PLUS 1.2T</p> | | |
| 2 | <p>Bajaj Finserv Limited</p> <p>Rupee term loan of Rs.17 lakhs carries interest @ 18.25% p.a. The Loan is mortarium period of 24 months from 02/07/2020 and the Loan is repayable in 60 equally monthly instalment starting from 02th Jul'2022 of Rs.0.43 lakhs each. The above loan is Unsecured loan.</p> | 12.81 | 15.37 |
| II | <p><u>Loans from Banks</u></p> | | |
| 1 | <p>The Mehsana Urban Co.Op. Bank Term Loan</p> <p>Rupee term loan of Rs. 45 lakhs carries interest @11.50% p.a. The Loan is repayable in 84 equally monthly instalment starting from February'2020 of Rs.0.79 lakhs each. The above loan is secured against hypothecation of Empty Gas cylinder, Immovable property and personal guarantee of directors.</p> | - | 24.41 |
| 2 | <p>ICICI BANK</p> <p>Rupee term loan of Rs. 45.00 lakhs carries interest @ 15.50% p.a. The Loan is repayable in 48 equally monthly instalment starting from 05th Sep'23 of Rs. 1.27 lakhs each. The above loan is Unsecured loan.</p> | 40.27 | - |
| 3 | <p>The Mehsana Urban Co.Op. Bank Overdraft Facility</p> <p>The company has availed working Capital facilities of Rs. 60 Lakhs are secured against Book debt</p> | 25.92 | 37.83 |

Notes:

a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has been sanctioned working capital limits (including CC/LC/BG) of Rs. Sixty Lakhs (Rs. 60,00,000/-), in aggregate, from The Mehsana Urban Co. Op. Bank Ltd. of Rs. 60 Lakhs (Rs.. 60,00,000/-) on the basis of security of current assets. Copies of quarterly returns or statements, furnished to bank have also been made available for our verification. We have verified the same and found some discrepancies, which are not material as they are below 2% of amount mentioned in stock statements. Summary of Reconciliation is mentioned below :

| | | As per Stock Statement filed | As per Books of Accounts | Difference |
|--------|---------|------------------------------|--------------------------|------------|
| Jun-23 | Debtors | 133.71 | 129.99 | 3.72 |
| Sep-23 | Debtors | 138.04 | 136.76 | 1.28 |
| Dec-23 | Debtors | 165.10 | 164.48 | 0.62 |
| Mar-24 | Debtors | 152.41 | 152.31 | 0.10 |

HILLTONE SOFTWARE & GASES LIMITED
Notes to the financial statement as at March 31, 2024

| | | | | | | |
|-------------------------------|---|---|---|---|---|---|
| (iv) Disputed dues - Other | - | - | - | - | - | - |
|-------------------------------|---|---|---|---|---|---|

Particulars Outstanding for following periods from due date of payment as on 31/03/2024

| | Less than 6 months | 1 year | 1-2 years | 2-3 Years | More than 3 years | Total |
|-------------------------------|--------------------|-----------|-----------|-----------|-------------------|-----------|
| (i) MSME | - | - | - | - | - | - |
| (ii) Others | 5,220,252 | 2,717,270 | - | - | - | 7,937,522 |
| (iii) Disputed dues – MSME | - | - | - | - | - | - |
| (iv) Disputed dues - Other | - | - | - | - | - | - |

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

| | Less than 6 months | 1 year | 1-2 years | 2-3 Years | More than 3 years | Total |
|-------------------------------|--------------------|--------|-----------|-----------|-------------------|-------|
| (i) MSME | - | - | - | - | - | - |
| (ii) Others | 72.42 | - | - | - | - | 72.42 |
| (iii) Disputed dues – MSME | - | - | - | - | - | - |
| (iv) Disputed dues - Other | - | - | - | - | - | - |

NOTE 18 PROVISIONS

| Particulars | March 31, 2024 | March 31, 2023 |
|--|----------------|----------------|
| Statutory dues including Provident Fund & Tax deducted at Source | 5.32 | 7.19 |
| TOTAL | 5.32 | 7.19 |

HILLTONE SOFTWARE & GASES LIMITED

Notes to the financial statement as at March 31, 2024

NOTE 19 REVENUE FROM OPERATIONS

| Particulars | <i>For the year ended 31 March, 2024</i> | <i>For the year ended 31 March, 2023</i> |
|--|--|--|
| SALE OF GOODS | | |
| Sale of products | 584.47 | 508.88 |
| SALE OF SERVICES | | |
| Other operating revenues | 11.80 | 6.35 |
| Software Integration Charges | 88.26 | 40.00 |
| TOTAL | 684.53 | 555.23 |
| Sale of Products includes: | | |
| 1. Sale of Oxygen & Other Gases | 584.47 | 508.88 |
| Other Operating Income includes: | | |
| 1. Cylinder Printing Income | 0.00 | 0.08 |
| 2. Cylinder Testing and Maintenance Income | 3.45 | 1.31 |
| 3. Cylinder Rent Income | 0.26 | 0.82 |
| 4. Cylinder Flashing | 0.10 | 0.06 |
| 5. Shed Rent | 4.03 | 3.71 |
| 6. Cartage Sales | 3.00 | 0.37 |
| 7. Stores & Spares | 0.96 | - |
| TOTAL | 11.80 | 6.35 |

NOTE 20 CHANGE IN INVENTORIES OF FINISHED GOODS

| Particulars | <i>For the year ended 31 March, 2024</i> | <i>For the year ended 31 March, 2023</i> |
|--|--|--|
| Closing Finished Goods- Traded items | 40.99 | 32.83 |
| Opening Finished Goods- Traded items | 32.83 | 10.98 |
| CHANGE IN INVENTORIES OF FINISHED GOODS | (8.16) | (21.84) |

NOTE 21 OTHER INCOME

| Particulars | <i>For the year ended 31 March, 2024</i> | <i>For the year ended 31 March, 2023</i> |
|-----------------------------|--|--|
| Interest income: | | |
| Deposits with banks | 5.05 | 0.24 |
| Others | 42.02 | 12.65 |
| Dividend income: | | |
| Shares | 0.35 | 0.35 |
| Others non operating income | 0.83 | - |
| TOTAL | 48.24 | 13.23 |

NOTE 22 PURCHASES OF STOCK-IN-TRADE

| Particulars | <i>For the year ended 31 March, 2024</i> | <i>For the year ended 31 March, 2023</i> |
|-----------------------------------|--|--|
| Purchases goods of Stock-in-Trade | 448.08 | 382.97 |
| TOTAL | 448.08 | 382.97 |

NOTE 23 EMPLOYEE BENEFITS

| Particulars | <i>For the year ended 31 March, 2024</i> | <i>For the year ended 31 March, 2023</i> |
|---------------------------|--|--|
| Salaries, wages and bonus | 36.98 | 41.40 |
| Director's Remuneration | 30.00 | 12.00 |
| Staff welfare expenses | 0.35 | - |
| TOTAL | 67.33 | 53.40 |

HILLTONE SOFTWARE & GASES LIMITED

Notes to the financial statement as at March 31, 2024

NOTE 24 FINANCE COST

| Particulars | <i>For the year ended 31 March, 2024</i> | <i>For the year ended 31 March, 2023</i> |
|------------------|--|--|
| Interest expense | 11.13 | 11.23 |
| Bank charges | 0.72 | 0.08 |
| TOTAL | 11.85 | 11.32 |

NOTE 25 OTHER EXPENSES

| Particulars | <i>For the year ended 31 March, 2024</i> | <i>For the year ended 31 March, 2023</i> |
|--|--|--|
| Advertisement expenses | 1.10 | 0.18 |
| Cylinder Rent expenses | 1.88 | 2.00 |
| Commission expenses | 1.45 | 1.11 |
| Communication expenses | 1.55 | 1.21 |
| Diesel expenses | 14.86 | 15.70 |
| Electricity expenses | 5.72 | 5.25 |
| Factory Maintenance Expenses | 0.07 | - |
| Insurance -Others | 3.99 | 0.90 |
| Inward Cartage Exp | 0.91 | 0.08 |
| Kasar A/c | - | (0.14) |
| Legal and Consultancy Fees | 9.02 | 2.75 |
| Loss on sale of Fixed Assets | - | 0.01 |
| Other Expenses | 12.06 | 2.42 |
| Payment to Auditors* | 1.60 | 1.15 |
| Printing & Stationery | 1.34 | 0.55 |
| Repair and Maintenance-Others | 3.95 | 2.10 |
| Rent and Taxes | 0.83 | 0.05 |
| Security Charges | 2.02 | 1.93 |
| Software expenses | 58.37 | 6.22 |
| Transportation Exp. | 7.43 | 0.23 |
| Travelling expenses | 7.56 | 0.56 |
| Vehicle maintenance charges | 1.55 | 2.15 |
| Forex Gain/loss | 0.49 | - |
| TOTAL | 137.77 | 46.40 |
| *Details of Payment to Auditors | - | - |
| -Audit Fees | 1.45 | 1.00 |
| -Taxation matters | 0.15 | 0.15 |
| -Other Services | - | - |

HILLTONE SOFTWARE & GASES LIMITED
Notes to the financial statement as at March 31, 2024

Note 26 TAX EXPENSE

| | March 31, 2024 | March 31, 2023 |
|---|----------------|----------------|
| Amount recognised in Statement of profit and loss | | |
| Current tax | 15.05 | 13.60 |
| MAT credit entitlement | - | 1.15 |
| Deferred tax expense | (3.38) | (0.76) |
| (Excess)/short income tax | - | - |
| Tax Components on OCI | - | - |
| Tax expense for the year | 11.67 | 13.99 |
| Reconciliation of effective tax rate | 18.72% | 16.04% |
| Profit before tax | 62.30 | 87.19 |
| Enacted Incometax rate applicable to the company | 0.00 | 0.00 |
| Expected income tax expense (I) | 16.20 | 22.67 |
| <u>Adjustment to reconcile expected incometax expense to reported income tax expense:</u> | | |
| Effect of Tax Components on Permatat Disallowance | - | - |
| Effects of Exempt income from tax | - | - |
| Effect of (Excess)/short income tax provision reversed | - | - |
| Effect on tax due to brought forward loss set off | (4.53) | (8.68) |
| Aggregate tax adjustments (II) | (4.53) | (8.68) |
| Total tax expense (I)+(II) | 11.67 | 13.99 |
| 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, 2024 | | | | |
| Deferred tax asset | - | - | - | - |
| MAT credit entitlement | 4.70 | (4.55) | - | 0.14 |
| Accelerated depreciation for tax purpose | 2.75 | 3.38 | - | 6.14 |
| Others | - | - | - | - |
| Gross deferred tax assets | 7.45 | (1.17) | - | 6.28 |
| Deferred tax liability | | | | |
| Property, plant and equipment and intangible assets | - | - | - | - |
| Others | - | - | - | - |
| Gross deferred tax liability | - | - | - | - |
| Deferred tax asset / (liabilities), net | 7.45 | (1.17) | - | 6.28 |

HILLTONE SOFTWARE & GASES LIMITED
Notes to the financial statement as at March 31, 2024

Note 28: FINANCIAL INSTRUMENTS
(i) Financial assets and liabilities

| | March 31, 2024 | | March 31, 2023 | |
|------------------------------|----------------|---------------|----------------|---------------|
| | Fair Value | Carryng Value | Fair Value | Carryng Value |
| Financial Assets | | | | |
| Amortized Cost: | | | | |
| Cash and cash equivalents | 47.31 | 47.31 | 37.28 | 37.28 |
| Trade Receivable | 152.31 | 152.31 | 161.97 | 161.97 |
| Non current financial assets | 334.19 | 334.19 | 186.24 | 186.24 |
| Other financial assets | - | - | - | - |
| TOTAL | 533.82 | 533.82 | 385.49 | 385.49 |
| Financial Liabilities | | | | |
| Amortized Cost: | | | | |
| Borrowings | 79.67 | 79.67 | 82.14 | 82.14 |
| Trade payables | 79.38 | 79.38 | 72.42 | 72.42 |
| Other financial liabilities | 37.94 | 37.94 | 31.91 | 31.91 |
| TOTAL | 196.99 | 196.99 | 186.47 | 186.47 |

(ii) Financial risk management

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

(a) Market risk :

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

(b) Credit risk :

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

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

(c) Liquidity Risk:

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

(iii) Capital management

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

HILLTONE SOFTWARE & GASES LIMITED
Notes to the financial statement as at March 31, 2024

NOTE 29 RELATED PARTY TRANSACTIONS

(i) List of Related parties and their Relations at the end of the year:

Enterprises having Significant Influence (EHSI) :-

Dhanlaxmi Distributors

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, 2024 | For the year ended 31 March, 2023 |
|--|--------------------------------------|--------------------------------------|
| Key Management Personnel | | |
| <u>A. Loan Repayment</u> | 23.41 | 2.56 |
| Niket M Shah | 21.19 | 2.56 |
| Hital M Shah | 2.22 | - |
| <u>B. Loan Taken</u> | 22.09 | 4.07 |
| Niket M Shah | 19.87 | 4.07 |
| Hital M Shah | 2.22 | - |
| <u>C. Director's Remuneration</u> | 30.00 | 12.00 |
| Niket M Shah | 15.00 | 6.00 |
| Hital M Shah | 15.00 | 6.00 |
| Enterprises having Significant Influence (EHSI) | | |
| <u>A. Purchases</u> | - | 2.75 |
| Dhanlaxmi Distributors | - | 2.50 |
| Shree Vinayak Speciality Gases | - | 0.26 |
| United Gases | | |
| <u>B. Sales</u> | 6.53 | 12.14 |
| Dhanlaxmi Distributors | 6.53 | 11.30 |
| Shree Vinayak Speciality Gases | - | 0.83 |
| TOTAL | 59.94 | 26.70 |

(iii) Related Party Balances

| Particulars | March 31, 2024 | March 31, 2023 |
|------------------------------------|----------------|----------------|
| Key Management Personnel | | |
| <u>A. Trade Payables</u> | - | 0.26 |
| Dhanlaxmi Distributors | - | - |
| Shree Vinayak Speciality Gases | - | 0.26 |
| United Gases | - | - |
| <u>B. Trade Receivables</u> | 2.44 | 2.05 |
| Dhanlaxmi Distributors | 2.44 | 2.05 |
| Shree Vinayak Speciality Gases | - | 0.06 |
| United Gases | - | - |
| <u>B. Trade Deposit</u> | 0.75 | 0.75 |
| Dhanlaxmi Distributors | 0.75 | 0.75 |
| <u>C. Loan Taken</u> | - | 1.32 |
| Niket M Shah | - | 1.32 |
| Hital M Shah | - | - |
| Parul N Shah | - | - |

HILLTONE SOFTWARE & GASES LIMITED
Notes to the financial statement as at March 31, 2024

NOTE 30 EARNINGS PER SHARE

| Particulars | March 31, 2024 | March 31, 2023 |
|---|-----------------------|-----------------------|
| (i) Profit Attributable to Shareholders | 50.64 | 73.20 |
| (ii) Total no. of Equity shares o/s during the Year | 10,930,800 | 4,000,300 |
| (iii) Weighted avg no. of Equity shares o/s during the Year | 8,063,662 | 4,000,300 |
| Nominal value of Equity shares (INR) | 10.00 | 10.00 |
| Basic and Diluted Earnings per share (i/ii) | 0.63 | 1.83 |

NOTE 31 : 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

Kishor C Parikh

Partner

Membership No.: 038060

UDIN: 24038060BKBLGG6286

Place: Santej

Date: 11/05/2024

NIKET M. SHAH

Managing Director

DIN:00278968

HITAL M. SHAH

Executive Director

DIN:00279026

Hinisha Patel

Company Secretary

Mem. No:A59842

PRAFULLBHAI MAKVANA

Chief Financial officer

HILLTONE SOFTWARE & GASES LIMITED
Notes to the financial statement as at March 31, 2024

NOTE 32: STATEMENT OF CHANGES IN EQUITY

(Amount in Lakhs)

| A | EQUITY SHARE CAPITAL (Refer note 14) | Year Ended March 31,2024 | Year Ended March 31, 2023 |
|---|---------------------------------------|-----------------------------|------------------------------|
| | Balance at the beginning of the year | 400.03 | 400.03 |
| | Changes during the year | 693.05 | - |
| | Balance at the end of the year | 1,093.08 | 400.03 |

B OTHER EQUITY

| Particular | Reserves and Surplus | | | | |
|---------------------------------------|----------------------|----------------|------------------|----------------|---------------|
| | Capital Reserves | Other Reserves | Security Premium | Surplus | Total |
| Balance as at 1st April, 2022 | 9.66 | 128.55 | - | (90.28) | 47.94 |
| Profit for the Year | - | - | - | 73.20 | 73.20 |
| Provided during the year | - | - | - | - | - |
| Deduction | - | - | - | - | - |
| Transfer to/(from) Surplus | - | - | - | - | - |
| Other comprehensive income | - | - | - | - | - |
| Balance as at 1st April, 2023 | 9.66 | 128.55 | - | (17.07) | 121.14 |
| Profit for the Year | - | - | - | 50.64 | 50.64 |
| Provided during the year | - | - | 116.99 | - | 116.99 |
| Deduction | - | - | - | - | - |
| Transfer to/(from) Surplus | - | - | - | - | - |
| Other comprehensive income | - | - | - | - | - |
| Balance as at 31st March, 2024 | 9.66 | 128.55 | 116.99 | 33.56 | 288.77 |

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

Kishor C Parikh

Partner

Membership No.: 038060

UDIN: 24038060BKBLGG6286

Place: Santej

Date: 11/05/2024

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

NIKET M. SHAH

Managing Director

DIN:00278968

Hinisha Patel

Company Secretary

Mem. No:A59842

HITAL M. SHAH

Executive Director

DIN:00279026

PRAFULLBHAI MAKVANA

Chief Financial officer

HILLTONE SOFTWARE & GASES LIMITED
Notes to the financial statement as at March 31, 2024

| | 31/03/2024 | 31/03/2023 |
|--|-------------------|-------------------|
| Particulars | | |
| Income | | |
| Revenue from operations | 68,452,786 | 55,522,958 |
| Other income | 4,823,587 | 1,322,828 |
| Total Income (I) | 73,276,373 | 56,845,785 |
| Expenses: | | |
| Purchases of Stock-in-trade | 44,807,718 | 38,296,923 |
| Changes in Stock-in-trade | (816,103) | (2,184,429) |
| Employee benefits expenses | 6,733,367 | 5,339,552 |
| Finance cost | 1,185,122 | 1,131,586 |
| Other expenses | 13,777,299 | 4,640,217 |
| Depreciation and amortisation expenses | 1,358,513 | 902,950 |
| Total Expenses (II) | 67,045,916 | 48,126,799 |
| Profit before Tax (I)-(II) | 6,230,457 | 8,718,986 |
| Tax Expenses | | |
| Current tax | 1,505,015 | 1,360,162 |
| (Excess)/short income tax | - | - |
| Deferred tax | (338,365) | (76,220) |
| MAT credit entitlement | - | 114,618 |
| Profit for the year | 5,063,807 | 7,320,426 |

SIGNIFICANT RATIO ANALYSIS

| Particulars | Unit | 31/03/2024 | 31/03/2023 |
|--|-----------------------|-----------------------|-----------------|
| Earnings before interest, depreciation and tax/Sales | % | 5.39% | 12.04% |
| Profit before taxes/Sales | % | 9.10% | 15.70% |
| Profit after taxes/Sales | % | 7.40% | 13.18% |
| Current Ratio | No of times | 6.78 | 1.74 |
| Debt Equity Ratio | % | 2.92% | 5.46% |
| Earnings per share | Rs | 1.83 | 0.41 |
| Dividend per share | Rs | - | - |
| Book Value share | Rs | 12.64 | 13.03 |
| Return on Net Worth | % | 3.66% | 14.05% |
| | As At | As At | Variance |
| | March 31, 2024 | March 31, 2023 | |
| (a) Current Ratio, | 6.78 | 1.78 | 281% |
| (b) Debt-Equity Ratio | 0.03 | 0.06 | -53% |
| (c) Debt Service Coverage Ratio | 3.70 | 4.74 | -22% |
| (d) Return on Equity Ratio | 0.14 | 0.14 | 0% |
| (e) Inventory turnover ratio | 16.48 | 16.48 | 0% |
| (f) Trade Receivables turnover ratio | 4.36 | 3.89 | 12% |
| (g) Trade payables turnover ratio | 5.80 | 5.93 | -2% |
| (h) Net capital turnover ratio | 0.50 | 1.07 | -54% |
| (i) Net profit ratio | 0.07 | 0.13 | -44% |
| (j) Return on Capital employed | 0.06 | 0.20 | -68% |

Reason for Variation more than 25%

| | |
|----------------------------|--|
| Current Ratio | Current Assets increased compared to previous year. |
| Debt-Equity Ratio | Repayment of loan increased compared to previous year. |
| Debt-Equity Ratio | Reserves increased compared to previous year. |
| Net profit ratio | Profit decreased compared to previous year. |
| Return on Capital employed | Profit decreased compared to previous year. |

Basis for Calculation of Ratios

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

| Segment wise Profit & Loss | | | | | | | | | | | | |
|--|---------------------|---------------|-----------------|----------------|-----------------|----------------|---------------------|---------------|-----------------|----------------|-----------------|----------------|
| Particulars | FY 2023-2024 | | | | | | FY 2022-2023 | | | | | |
| | Total | | Gases | | Software | | Total | | Gases | | Software | |
| | (Amt. in Lakhs) | | (Amt. in Lakhs) | | (Amt. in Lakhs) | | (Amt. in Lakhs) | | (Amt. in Lakhs) | | (Amt. in Lakhs) | |
| INCOME | | | | | | | | | | | | |
| Revenue from operations* | 684.53 | 93.42% | 596.27 | 92.52% | 88 | 100.00% | 555.23 | 97.67% | 515.23 | 97.50% | 40 | 100.00% |
| Other income | 48.24 | 6.58% | 48.24 | 7.48% | - | 0.00% | 13.23 | 2.33% | 13.23 | 2.50% | - | 0.00% |
| Total income | 732.76 | 100% | 644.50 | 100.00% | 88 | 100.00% | 568.46 | 100% | 528.46 | 100.00% | 40 | 100.00% |
| EXPENSES | | | | | | | | | | | | |
| Cost of material consumed / cost of service | - | 0.00% | - | 0.00% | - | 0.00% | - | 0.00% | - | - | - | 0.00% |
| Purchase of stock-in-trade | 448.08 | 61.15% | 448.08 | 69.52% | - | 0.00% | 382.97 | 67.37% | 382.97 | 72.47% | - | 0.00% |
| Changes in inventories of finished goods, Stock-in -Trade and Work in-progress | (8.16) | -1.11% | (8.16) | -1.27% | - | 0.00% | (21.84) | -3.84% | (21.84) | -4.13% | - | 0.00% |
| Employee benefit expenses | 67.33 | 9.19% | 64.49 | 10.01% | 2.85 | 3.23% | 53.40 | 9.39% | 52.87 | 10.01% | 0.52 | 1.31% |
| Other expenses | 137.77 | 18.80% | 79.17 | 12.28% | 58.60 | 66.39% | 46.40 | 8.16% | 40.40 | 7.65% | 6.00 | 15.00% |
| Total expenses | 645.02 | 88.03% | 583.58 | 90.55% | 61.45 | 69.62% | 460.92 | 81.08% | 454.40 | 85.99% | 6.52 | 16.31% |
| EBITDA | 87.74 | 11.97% | 60.93 | 9.45% | 26.81 | 30.38% | 107.54 | 18.92% | 74.06 | 14.01% | 33.48 | 83.69% |
| Depreciation and amortisation expenses | 13.59 | 1.85% | 13.59 | 2.11% | - | 0.00% | 9.03 | 1.59% | 9.03 | 1.71% | - | 0.00% |
| EBIT | 74.16 | 10.12% | 47.34 | 7.35% | 26.81 | 30.38% | 98.51 | 17.33% | 65.03 | 12.31% | 33.48 | 83.69% |
| Finance costs | 11.85 | 1.62% | 11.85 | 1.84% | - | 0.00% | 11.32 | 1.99% | 11.32 | 2.14% | - | 0.00% |
| Profit before tax | 62.30 | 8.50% | 35.49 | 5.51% | 26.81 | 30.38% | 87.19 | 15.34% | 53.71 | 10.16% | 33.48 | 83.69% |
| Tax expense : | | | | | | | | | | | | |
| (i) Current tax | 15.05 | 2.05% | 8.08 | 1.25% | 6.97 | 7.90% | 13.60 | 2.39% | 4.8 | 0.90% | 8.84 | 22.10% |
| (ii) MAT credit entitlement | - | 0.00% | - | - | - | - | 1.15 | 0.20% | - | - | - | - |
| (iii) Deferred tax | (3.38) | -0.46% | - | - | - | - | (0.76) | -0.13% | - | - | - | - |
| Total tax expense | 11.67 | 1.59% | 8.08 | 1.25% | 6.97 | 7.90% | 13.99 | 2.46% | 4.76 | 0.90% | 9 | 22.10% |
| Profit for the year | 50.64 | 6.91% | 27.41 | 4.25% | 19.84 | 22.48% | 73.20 | 12.88% | 48.95 | 9.26% | 25 | 61.59% |

| Segmentwise Balance Sheet | | As At | | | | As At | | | |
|---|-----------------|-----------------|---------------|----------------|---------------|----------------|--------------|----------------|--|
| | | March 31, 2024 | | | | March 31, 2023 | | | |
| Particular | Total | Gases | Software | Un - allocated | Total | Gases | Software | Un - allocated | |
| Non Current Liabilities | | | | | | | | | |
| Long Term Borrowings | 40.33 | 40.33 | - | - | 28.48 | 28.48 | - | - | |
| Deferred Tax Liabilities (Net) | - | - | - | - | - | - | - | - | |
| Other Long Term Liabilities | 37.94 | 37.94 | - | - | 31.91 | 31.91 | - | - | |
| Long Term Provisions | - | - | - | - | - | - | - | - | |
| Sub - Total | 78.27 | 78.27 | - | - | 60.39 | 60.39 | - | - | |
| Current Liabilities | | | | | | | | | |
| Short Term Borrowings | 39.34 | 39.34 | - | - | 53.66 | 53.66 | - | - | |
| Trade Payables | 79.38 | 62.66 | 16.72 | - | 72.42 | 65.34 | 7.08 | - | |
| Current tax liabilities (net) | 0.31 | (3.83) | 4.14 | - | 10.83 | 2.79 | 8.04 | - | |
| Short Term Provisions | 5.32 | 5.32 | - | - | 7.19 | 7.07 | 0.12 | - | |
| Sub - Total | 124.34 | 103.49 | 20.86 | - | 144.11 | 129 | 15.24 | - | |
| Total Liabilities | 202.62 | 181.76 | 20.86 | - | 204.50 | 189 | 15.24 | - | |
| ASSETS | | | | | | | | | |
| Property, Plant And Equipments and Intangible Assets | | | | | | | | | |
| Property, Plant And Equipments | 396.36 | 396.36 | - | - | 283.00 | 283.00 | - | - | |
| Intangible Assets | 2.61 | 2.61 | - | - | 0.87 | 0.87 | - | - | |
| Capital Work-In-Progress | - | - | - | - | - | - | - | - | |
| Non-Current Investments | 2.30 | 2.30 | - | - | 2.30 | 2.30 | - | - | |
| Deferred tax assets (net) | 6.14 | 6.14 | - | - | 2.75 | 2.75 | - | - | |
| Other Non-Current Assets | 334.19 | 183.01 | 151.18 | - | 186.24 | 186.24 | - | - | |
| Sub - Total | 741.60 | 590.42 | 151.18 | - | 475.16 | 475 | - | - | |
| Current Assets | | | | | | | | | |
| Inventories | 40.99 | 40.99 | - | - | 32.83 | 32.83 | - | - | |
| Trade Receivables | 152.31 | 135.88 | 16.43 | - | 161.97 | 115.57 | 46.40 | - | |
| Cash And Cash Equivalents | 47.31 | 47.31 | - | - | 37.28 | 37.28 | - | - | |
| Short Term Loans & Advances | - | - | - | - | - | - | - | - | |
| Other Current Assets | 602.25 | 602.25 | - | - | 18.42 | 18.42 | - | - | |
| Sub - Total | 842.87 | 826.44 | 16.43 | - | 250.50 | 204.10 | 46.40 | - | |
| Total Assets | 1,584.47 | 1,416.86 | 167.61 | - | 725.66 | 679.26 | 46.40 | - | |

| Ratio | As At | |
|---------------------------------------|----------------|----------------|
| | March 31, 2024 | March 31, 2023 |
| (a) Current Ratio, | 6.78 | 1.78 |
| (b) Debt-Equity Ratio, | 0.03 | 0.06 |
| (c) Debt Service Coverage Ratio, | 3.70 | 4.74 |
| (d) Return on Equity Ratio, | 0.14 | 0.14 |
| (e) Inventory turnover ratio, | 16.48 | 16.48 |
| (f) Trade Receivables turnover ratio, | 4.36 | 3.89 |
| (g) Trade payables turnover ratio, | 5.80 | 5.93 |
| (h) Net capital turnover ratio, | 0.50 | 1.07 |
| (i) Net profit ratio, | 0.07 | 0.13 |
| (j) Return on Capital employed, | 0.06 | 0.20 |

Notes to Standalone Financial Statements for the year ended March 31, 2024

1 Corporate information

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

2 Summary of significant accounting policies

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

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

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

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

b. Current & Non- Current Classification

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

c. Cash and Cash Equivalents

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

d. Cash Flow Statement

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

e. Property, Plant And Equipments

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

f. Inventory :

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

g. Investment

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

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

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

h. Depreciation and amortization

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

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

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

i. Leases

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

j. Revenue recognition

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

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

k. Borrowing costs

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

l. Impairment of assets

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

m. Foreign exchange transactions

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

n. Employee Benefits

(i) Short Term Employee Benefits

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

(ii) Post Employee Benefits

a) Defined Benefit Plan:

Company has not provided for Gratuity.

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

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

o. Provisions, contingent liabilities and contingent assets

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

p. Segment reporting

In accordance with Accounting Standard 17 "Segment Reporting" as prescribed under Companies (Accounting Standards) Rules, 2006 (as amended), the Company has determined its business segment as Gases & Software. There are two primary reportable segments, therefore the segment revenue, segment results, segment assets, segment liabilities and total cost incurred to acquire segment assets are all reflected in the financial statement.

q. Related Party transactions

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

r. Earning Per Share

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

s. Taxes on Income

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

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

ii) Deferred Tax

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