

STATUTORY AUDIT REPORT

FOR THE ACCOUNTING YEAR

2022 - 2023

OF

SHINING TOOLS LIMITED

S N 63/2, PLOT NO 2, ON RAJKOT GONDAL
HIGHWAY, AT PIPALIYA,
RAJKOT, GUJARAT-360311

(UDIN : 23118275BGVSSE4223)

BY
AUDITORS :

R N VEKARIYA & ASSOCIATES CHARTERED ACCOUNTANTS

KARM YOGI, OPP. BALAJI HALL, 1 RAMVIHAR
SOCIETY, B/H TWIN STAR , 150 FEET RING ROAD,
RAJKOT-360005 GUJARAT



Independent Auditor's Report

To,
The Shareholders of
Shining Tools Limited,
Rajkot.

Report on the Audit of Standalone Financial Statements

Opinion

We have audited the accompanying standalone financial statements of **Shining Tools Limited**, ("the Company"), which comprise the Balance Sheet as at **March 31, 2023** and the Statement of Profit and Loss and the Cash Flow Statement from **1st April, 2022 to 31st March, 2023**, and 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 financial statements read together with the notes thereon, give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, to the extent applicable;

- In the case of the Balance Sheet, of the state of affairs of the Company as at **31st March, 2023**;
- In the case of the Statement of Profit and Loss, of the profit of the Company from **1st April, 2022 to 31st March, 2023**; and
- In the case of the Cash Flow Statement, of the cash flows of the Company from **1st April, 2022 to 31st March, 2023**.

Basis for opinion

We conducted our audit in accordance with the standards on auditing specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the auditor's responsibilities for the audit of the 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 together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the rules there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the code of ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Information other than the financial statements and auditors' report thereon

The Company's board of directors is responsible for the preparation of the other information. The other information comprises the information included in the Board's Report including Annexures to Board's Report, Business Responsibility Report but does not include the financial statements and our auditor's report thereon.





Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information 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.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

Management's Responsibility for the Financial Statements.

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

In preparing the 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.

The board of directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibility

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 controls 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 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.

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.

Report on Other Legal and Regulatory Requirements

- (1) 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 enclose in the Annexure A, a statement on the matters specified in paragraphs 3 and 4 of the said order, to the extent applicable.
- (2) As required by Section 143(3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.





- (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- (c) The Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- (d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- (e) On the basis of the written representations received from the directors as on **31st March 2023** and taken on record by the Board of Directors, we report that none of the directors is disqualified as on **31st March 2023** from being appointed as a directors in terms of section 164(2) of the Act.
- (f) Report with respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls under Clause (1) of Sub-section 3 of section 143 of the companies Act, 2013 ("the Act") is enclosed an Annexure B to this report.
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- (i) As informed to us 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, other than as disclosed in the notes to the accounts, no funds 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(s) or entity(ies), including foreign entities ("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, other than as disclosed in the notes to the accounts, no funds have been received by the company from any person(s) or entity(ies), including foreign entities ("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; and

(c) Based on such audit procedures that we have considered reasonable and appropriate in the circumstances, nothing has come to their notice that has caused them to believe that the representations under sub-clause (i) and (ii) contain any material mis-statement.

(v) The Company has not declared or paid dividend during the year.

(3) With Respect to the other matters to be included in Auditors' Report in accordance with the requirements of Section 197(16) of the Act, as amended:

The Managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act.



For **R N Vekariya & Associates**
Chartered Accountants
[FRN: 125819W]

Place: Rajkot
Date: 1st September 2023

(**CA R. N. Vekariya**)
Proprietor
(Membership No. 118275)
(FRN 125819W)
(**UDIN 23118275BGVSSE4223**)



"Annexure-A" to the Independent Auditor's Report of even date on the standalone Financial Statements of Shining Tools Limited

Referred to in of our report of even date

In terms of the information and explanations sought by us and given by the company and the books and records examined by us in the normal course of audit and to the best of our knowledge and belief, we state that:-

- (1) (a) According to information and explanation given to us,
- (A) the Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.
- (B) the Company has maintained proper records showing full particulars of intangible assets.
- (b) As certified by the management, the company has a program to verify physically all the Property, Plant and Equipment during the year. In our opinion, the same 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) The title deeds of immoveable properties are held in the name of the company. Original Title deeds are mortgaged with Bank / Financial Institution. Hence the reporting is done on the basis of photocopy provided by management.
- (d) According to information and explanation given to us, the company has not revalued its Property, Plant and Equipment or intangible assets or both during the year.
- (e) According to information and explanation given to us, there are no any proceedings have been initiated or are pending against company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 and rules made there under.
- (2) (a) The inventories have been physically verified during the year by the management. As informed to us by the management that there are no any discrepancies noticed.

In our opinion, the coverage and procedure of such verification by management is reasonable having regard to the size of the company and the nature of its inventories. No material discrepancies were noticed on such verification.

- (b) The company has not been sanctioned, during any point of time of the year, any working capital limits in excess of five crore rupees, in aggregate, from banks or financial institutions on the basis of security of current assets. Hence, the provisions of the clause (ii)(b) of the paragraph of the Order is not applicable.





- (3) The company has granted loans to following parties during the year covered in the register maintained under section 189 of the Act;

Name of Party

Shine Engineering
Kiran V. Ghoniya

Outstanding as on 31.03.2023

Rs. 77,10,503/-
Rs. 9,20,000/-

- (4) According to the records of the Company and information and explanation given to us, the Company has not complied with the provisions of section 185 of the Act. According to the records of the Company and information and explanation given to us, the Company has complied with provisions of section 186 of the Act, in respect of loans, investments, guarantees and securities, as applicable.

- (5) As per information and explanation given and records made available to us, the company has not accepted any Public deposits or amounts which are deemed to be deposits within meaning of Section 73 to 76 of the Companies Act, 2013 read with Rule 2(b) of the Companies (Acceptance of Deposit's) Rules 2014, during the period under review.

- (6) It has been explained to us that the maintenance of cost records has not been prescribed under section 148(1) of the Act.

- (7) (a) The company is in the arrear of statutory liability for the period of more than six months from the date they become payable as under;

(i) Income Tax [IT] payable as on 31.03.2023 pertaining to F.Y. 2021-22 is Rs. 3,19,180/-.

(ii) TDS payable as on 31.03.2023 is Rs. 23,23,829/- out of which Rs.7,48,721/- pertains to F.Y. 2020-21, Rs. 6,85,738/- pertains to F.Y. 2021-22 & Rs. 9,16,670/- pertains F.Y. 2022-23.

(iii) Provident Fund payable as on 31.03.2023 is Rs. 18,21,418/-.

- (b) According to the information and explanations given to us, there are no statutory dues referred to in sub-clause (a) have not been deposited with the appropriate authorities on account of any dispute.

- (8) As per information and explanation given to us, there are no any transactions not recorded in the books of accounts have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act 1961.

- (9) In our opinion and according to the information and explanations given to us,

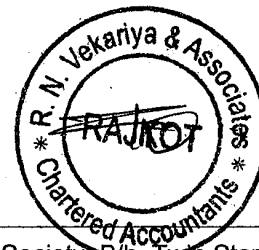
- (a) the Company has not defaulted in repayment of loans or other borrowings or in payment of interest thereon to any lenders.

- (b) the company is not declared as willful defaulter by any bank or financial institution or other lender.



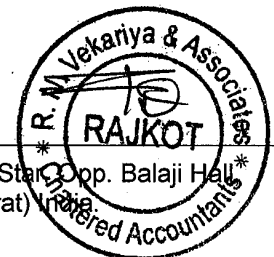


- (c) term loans were applied for the purpose for which the loans were obtained.
- (d) the funds raised on short term basis have not been utilized for long term purposes.
- (e) the company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures.
- (f) the company has not raised any loans during the year on the pledge of securities held in its subsidiaries, associates or joint ventures or associate companies.
- (10) (a) As per information and explanation given to us, the company has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the year.
- (b) As per information and explanation given to us, the company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible) during the year.
- (11) (a) On the basis of our examination of the books of account and other relevant records and information made available to us, prima facie, we have not noticed any fraud by the company or any fraud on the company by its officers or employees during the year. Further, the management has represented to us that no fraud on or by the company has been reported during the year. However, we are unable to determine/verify as to whether any such reporting has been made during the year.
- (b) On the basis of our examination of the books of account and other relevant records and information made available to us, there are no any report filed under sub-section (12) of section 143 of the Companies Act by the auditors in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government;
- (c) According to the information and explanations given to us, the Company has not received any whistle-blower complaints during the year and accordingly auditor is not required to consider the same.
- (12) (a) The Company is not a Nidhi Company and hence this clause is not applicable.
- (b) The Company is not a Nidhi Company and hence this clause is not applicable.
- (c) In our opinion and according to the information and explanations given to us, there has not been any default in payment of interest on deposits or repayment thereof for any period.





- (13) On the basis of our examination of the books of account and other relevant records and information made available to us, all transactions with the related parties are in compliance with section 188 of the Companies Act, 2013 and the details have been disclosed in Standalone financial statements in compliance with applicable accounting standards. In our opinion provision of section 177 as to the audit committee are not applicable to the company.
- (14) As per section 138 of the Companies Act, 2013, internal audit is not applicable to the company and therefore reports of internal auditor for the period under audit are not available for consideration.
- (15) In our opinion and according to the information and the explanations given to us, the Company has not entered into non-cash transactions with directors or persons connected with him.
- (16) In our opinion and according to the information and the explanations given to us,
- (a) the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.
 - (b) the Company has not conducted any Non-Banking Financial or Housing Finance activities without a valid Certificate of Registration (CoR) from the Reserve Bank of India as per the Reserve Bank of India Act, 1934
 - (c) the Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India.
 - (d) the Company does not have any core investment company as a part of the group and accordingly reporting under this clause of order is not applicable.
- (17) In our opinion and according to the information and the explanations given to us, the company has not incurred any cash losses in the financial year and in the immediately preceding financial year.
- (18) In our opinion and according to the information and the explanations given to us, there has not been any resignation of the statutory auditors during the year.
- (19) In our opinion and according to the information and the explanations given to us, 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 financial statements, we are of the opinion that no material uncertainty exists as on the date of the audit report that company is 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.
- (20) In our opinion and according to the information and the explanations given to us,
- The company does not fall in the criteria mentioned in Section 135(1) of the Companies Act, 2013. Accordingly, the requirement to report on clause 3(xvi)(d) of the Order is not applicable to the Company.





- (21) The reporting under clause 3(xxi) of the Order is not applicable in respect of audit of standalone financial statements. Accordingly, no comment in respect of the said clause has been included in the report.



For **R N Vekariya & Associates**
Chartered Accountants
[FRN: 125819W]

Place: Rajkot
Date: 1st September 2023

(**CA R. N. Vekariya**)
Proprietor
(Membership No. 118275)



"Annexure-B" to the Independent Auditor's Report of even date on the standalone Financial Statements of Shining Tools Limited

Report on the Internal Financial Controls 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 **Shining Tools Limited** ("the Company") as of **March 31, 2023** in conjunction with our audit of the standalone financial statements of the Company for the year ended 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 Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with 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 auditor's judgment, including the assessment of the risks of material misstatement of the 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 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 financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and
- (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

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 control 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, to the best of my information and according to the explanations given to me, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at **31-March-2023** 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.



For **R N Vekariya & Associates**
Chartered Accountants
[FRN: 125819W]

Place: Rajkot
Date: 1st September 2023

(**CA R. N. Vekariya**)
Proprietor
(Membership No. 118275)

SHINING TOOLS LIMITED

BALANCE SHEET AS AT 31st MARCH, 2023

(Rs. in Thousands)

Particulars	Note	Current Year	Previous Year
I. EQUITY AND LIABILITIES			
(1) Shareholder's Funds			
(a) Share Capital	1	20,000	20,000
(b) Reserves and Surplus	2	5,355	4,596
(c) Money received against share warrants		-	-
		25,355	24,596
(2) Share application money pending allotment			
		-	-
(3) Non-Current Liabilities			
(a) Long-term borrowings	3	44,455	57,258
(b) Deferred tax liabilities (Net)	4	-	-
(c) Other Long term liabilities		-	-
(d) Long term provisions		-	-
		44,455	57,258
(4) Current Liabilities			
(a) Short-term borrowings	5	46,051	47,412
(b) Trade payables	6	40,743	30,653
(c) Other current liabilities	7	8,377	8,954
(d) Short-term provisions	8	9,111	16,964
		1,04,282	1,03,982
Total		1,74,092	1,85,837
II. Assets			
(1) Non-current assets			
(a) Property, Plant & Equipment and Intangible Asset			
(i) Property, Plant & Equipment	9	59,213	65,763
(ii) Intangible assets		274	174
(iii) Capital work-in-progress		-	-
(iv) Intangible assets under development		-	-
(b) Non-current investments	10	26	976
(c) Deferred tax assets (net)	4	714	446
(d) Long term loans and advances		-	-
(e) Other non-current assets	11	-	-
		60,226	67,358
(2) Current assets			
(a) Current investments		-	-
(b) Inventories	12	35,263	39,040
(c) Trade receivables	13	37,894	48,901
(d) Cash and cash equivalents	14	2,037	1,202
(e) Short-term loans and advances	15	23,414	13,272
(f) Other current assets	16	15,258	16,063
		1,13,865	1,18,478
Total		1,74,092	1,85,837

See accompanying notes to the financial statements

For Shining Tools Limited

Vipul Ghoniya
Director

Kamal Ghoniya
Director

Laljibhai Ghoniya
Director

DIN-06511100

DIN-06511096

DIN-06542648

PLACE : RAJKOT

DATE : 01.09.2023

UDIN 23118275BGVSSE4223

As per our report of even date

For R. N. Vekariya & Associates

Chartered Accountants,

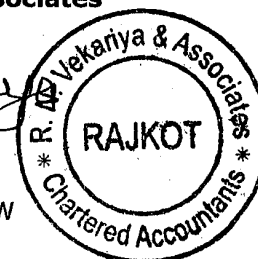
(R. N. Vekariya)

Proprietor

MRN 118275 FRN 125819W

Place : Rajkot

DATE : 01.09.2023



SHINING TOOLS LIMITED

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31st MARCH, 2023

(Rs. in Thousands)

Particulars	Note No	Current Year	Previous Year
I. Revenue from operations	17	1,03,215	1,00,705
II. Other Income	18	1,284	291
III. Total Revenue (I + II)		1,04,499	1,00,996
<u>IV. Expenses:</u>			
Cost of materials consumed	19	27,231	32,728
Purchase of Stock-in-Trade	20	-	-
Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	21	2,499	4,881
Employee benefit expense	22	12,438	12,015
Financial costs	23	11,305	11,073
Depreciation and amortization expense	24	7,330	6,998
Other expenses	25	42,672	32,140
Total Expenses		1,03,476	99,835
V. Profit before exceptional and extraordinary items and tax	(III - IV)	1,023	1,161
VI. Exceptional Items		-	-
VII. Profit before extraordinary items and tax (V - VI)		1,023	1,161
VIII. Extraordinary Items		-	-
IX. Profit before tax (VII - VIII)		1,023	1,161
X. Tax expense:			
(1) Current tax		533	319
(2) Deferred tax		(268)	95
(3) Shortfall of earlier years tax provision		-	231
XI. Profit(Loss) from the period from continuing operations	(VII-VIII)	759	516
XII. Profit/(Loss) from discontinuing operations		-	-
XIII. Tax expense of discontinuing operations		-	-
XV. Profit/(Loss) for the period (XI + XIV)		759	516
XVI. Earnings before interest, tax, depreciation and amortization		18,299.61	18,396
XVI. Earning per equity share:			
(1) Basic		0.38	0.26
(2) Diluted		0.38	0.26

See accompanying notes to the financial statements
For Shining Tools Limited

As per our report of even date

For R. N. Vekariya & Associates
Chartered Accountants,

Vipul Ghoniya
Director

Kamal Ghoniya
Director

Laljibhai Ghoniya
Director

DIN-06511100

DIN-06511096

DIN-06542648

PLACE : RAJKOT

DATE : 01.09.2023

UDIN 23118275BGVSSE4223

(R. N. Vekariya)

Proprietor

MRN 118275 FRN 125819W

Place : Rajkot

DATE : 01.09.2023



SHINING TOOLS LIMITED

CASH FLOW STATEMENT FOR THE YEAR 2022-23

(Rs. in Thousands)

	Description	2022-23	2021-22
CASH FLOW FROM OPERATING ACTIVITIES	Net profit before tax	1,023	1,161
	Adjustments for:		
	Depreciation and non cash items-amortization	7,330	6,998
	Accumulated Loss from Gurgaon Branch	-	-
	Exchange differences on items under financing activities	-	-
	Income Tax debited in other expense to P&L	-	-
	Finance Charges	11,304	11,073
	Income tax paid	(638)	(267)
	PGVCL Deposit	-	-
	Reliance Industries Ltd Deposit	-	-
	United India Insurance Co. Deposit	-	-
	(Gain)/Loss on sale of assets	-	-
	(Increase)/Decrease in current assets	5,447	(10,204)
	Increase/(Decrease) in current liabilities	405	11,943
NET CASH FLOW FROM OPERATING ACTIVITIES:	24,872	20,704	
CASH FLOW FROM INVESTING ACTIVITIES	Capital Expenditures	(1,130)	(4,420)
	Acquisition in Other Co's	-	-
	Proceeds from Sales of Assets	250	329
	Purchases of Investments	-	(26)
	Sale of Investments	950	534
	Other Investment Activities	-	-
	NET CASH FLOW FROM INVESTING ACTIVITIES:	70	(3,583)
CASH FLOW FROM FINANCING ACTIVITIES	Proceeds from Borrowings (net of repayment and adjustment)	-	-
	Payments on Borrowings	(12,804)	(5,976)
	Dividends Paid to Shareholders	-	-
	Dividend Distribution Tax Paid	-	-
	Proceeds from Minority Interest	-	-
	Net Proceeds from shares	-	-
	Preliminary Expense	-	-
	Finance charges	(11,305)	(11,073)
	NET CASH USED FOR FINANCING ACTIVITIES:	(24,108)	(17,049)
	INCREASE / (DECREASE) TO CASH	834	72
	BEGINNING CASH BALANCE	1,202	1,130
	ENDING CASH BALANCE	2,037	1,202

For Shining Tools Limited

Vipul Ghoniya Kamal Ghoniya
Director Director
DIN-06511100 DIN-06511096

PLACE : RAJKOT
DATE : 01.09.2023
UDIN 23118275BGVSSE4223

Laljibhai Ghoniya
Director
DIN-06542648

For R. N. Vekariya & Associates
Chartered Account

(R. N. Vekariya)
Proprietor
MRN 118275 FRN 125819W
Place : Rajkot
DATE : 01.09.2023



SHINING TOOLS LIMITED

NOTES ON ACCOUNTS

(A) SIGNIFICANT ACCOUNTING POLICIES

1. Basis of Presentation:

- I. The Financial Statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (GAAP) to comply with the Accounting Standards specified under Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014 and the relevant provisions of the Companies Act, 2013. The Financial Statements have been prepared on accrual basis under the Historical Cost Convention. The accounting policies adopted in the preparation of the Financial Statements are consistent with those followed in the previous year.
- II. All Assets and Liabilities have been classified as current or non-current as per the company's normal operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013. Based on the nature of products and time between the acquisition of assets for processing and their realization in cash and cash equivalents, the company has ascertained its operating cycle as less than 12 months for the purpose of current and non-current classification of assets and liabilities.
- III. The presentation of financial statements in conformity with GAAP requires estimates and assumptions to be made that affect the reported amount of assets and liabilities on the date of the financial statements and reported amount of revenues and expenses during the reporting period. Difference between the actual result and estimates are recognized in the period in which the results are known/materialized.

2. Use Of Estimates:

In preparation of financial statements requires estimates and assumptions to be made which affect the reported amounts of assets / liabilities and disclosures of contingent liabilities on the date of financial statements and the reported amounts of revenues and expenses during the reporting period. Although those estimates are based upon Management's best knowledge of current events and actions, actual result could differ from these estimates.

3. Property, Plant & Equipments and Depreciation:

Property, Plant & Equipments are valued at cost less depreciation. "Cost" for the aforesaid purpose comprises of its purchase price and cost attributable to bringing the asset to its working condition for its intended use.

Items of Property, Plant & Equipments that have been retired from active use and are held for disposal are stated at the lower of their net book value and net realisable value and are shown separately in the financial statements. Any expected loss is recognised immediately in the Statement of Profit and Loss. Losses arising from the retirement of, and gains or losses, if any, arising from disposal of Property, Plant & Equipments which are carried at cost are recognised in the Statement of Profit and Loss.

Capital work-in-progress:

Projects under which Property, Plant & Equipments are not yet ready for their intended use are carried at cost, comprising direct cost, related incidental expenses and attributable interest.

Depreciation on Property, Plant & Equipments is provided on the Written Down Value (W.D.V.) Method. Depreciation on Property, Plant & Equipments have been provided based on useful life of the assets as prescribed under Part C of Schedule II to the Companies Act, 2013. In respect of addition of assets during the year, depreciation has been provided on pro rata basis.

4. Inventories:

Inventories of raw material are valued at cost. Inventory of semi finished goods are valued at estimated cost on the basis of stage of completion. Inventory of finished goods are valued at Cost or Net realisable value whichever is lower.

Cost Comprise of all cost of Purchase, Conversion & other cost incurred to bring the inventories to the present Location & condition. The value of inventory is taken as values & Certified by the management.

5. Provision For tax

Tax expenses for the year comprises of current tax and deferred tax.

A) Current Tax: The Company has made provision for Current Tax as per the Income Tax Act, 1961.

B) Deferred Tax: The Company has made provision of the Deferred Tax according to Accounting Standard – 22 – Accounting For Taxes on Income.

Deferred tax is quantified using the tax rates and laws enacted or substantively enacted as on the balance sheet date. Deferred tax liability is recognized* on timing differences. Deferred tax asset is recognized only if there is virtual certainty of its realization.

6. Foreign Currency transactions:

Transactions denominated in foreign currencies are normally recorded at the exchange rate prevailing at the time of the transaction. Any income or expenses on account of exchange difference either on settlement or translation is recognized in statement of profit or loss, except in cases where they relate to acquisition of fixed assets in which case they are adjusted to the carrying cost of such fixed assets.

7. Revenue Recognition:

Sale of goods is recognized as soon as goods are dispatched to customers. Other income is recognized at the time of its accrual. Revenue is recognized when there is no any uncertainty of its realization.

8. Borrowing Cost:

Borrowing Cost attributable to the acquisition or construction of a qualifying asset is capitalized as part of the cost of the asset. Other borrowing costs are recognised as an expense in the period in which they are incurred.

9. Investment :

Investment are Fixed Deposits with bank or financial institution or deposits. The same are recorded at cost.

10. EMPLOYEE BENEFIT:

Short term employee benefits : Salary & Wages are accounted to Profit & Loss when becomes due and payable.

Long term employee benefits : Company's contribution to Provident Fund which is defined contribution schemes, is charged to Statement of Profit & Loss.

11. Provisions And Contingencies:

A provision is recognised when the Company has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to present value and are determined based on best estimate required to settle the obligation at the Balance Sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates. Contingent liabilities are disclosed by way of notes to accounts. Disclosure is not made if the possibility of an outflow of future economic benefit is remote. Contingent assets are not recognized.

12. Segment Reporting:

The Company has only one business segment as well as Geographical Segment. Hence, the details of segment wise result are not applicable to the Company.

13. Cash Flow Statement:

Cash flows are reported using the indirect method, 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.

Cash and cash equivalents in Cash Flow Statement comprises of cash on hand, bank balances and short-term deposits with banks with an original maturity of three months or less.

B. NOTES FORMING PART OF ACCOUNTING:

- The Company is engaged in the business of **manufacturing and job work of machine tools, parts and engineering items.**
- Long Term and Short Term Borrowings are as under.

Sr. No.	Particulars	Borrowings received From	Amount	Securities
(a)	Long Term Borrowings			
1	Unsecured Loans	Directors	2,92,36,413	
2	Unsecured Loans	Relatives of Directors	44,88,315	Identified as promoter and subject to stipulation by bank.
3	Secured Loan-Term Loan	IIFL Finance Ltd	49,431	Secured by personal guarantee of Directors
4		Kotak Bank Ltd	30,668	
5	Secured Loan-Covid 19 Sahayata	Central Bank of India	6,47,940	(Secured against Factory Building, Factory Premises, Ind. Plot, Residential Flats)
6	Secured Loan-GECL Extension		31,05,661	
7	Secured Term Loan		68,96,247	
(b)	Short Term Borrowings			
1	Cash Credit	Central Bank of India	3,73,27,448	(Secured against hypothecation of all goods of raw materials, work in progress and finished goods)
2	Secured Loan-Term Loan	Aditya Birla Finance Ltd	40,987	Secured by personal guarantee of Directors

3	Secured Loan-Term Loan	Axis Bank Ltd	3,25,271	Secured by personal guarantee of Directors
4	Secured Loan-Term Loan	Central Bank of India	26,82,000	(Secured against Factory Building, Factory Premises, Ind. Plot, Residential Flats)
5	Secured Loan-Covid 19 Sahayata		24,67,200	
6	Secured Loan-GECL Extension		27,96,000	
7	Secured Loan-Term Loan	IIFL Finance Ltd	1,77,840	Secured by personal guarantee of Directors
8	Secured Loan-Term Loan	Kotak Bank Ltd	91,572	
9	Secured Loan-Term Loan	Yash Bank Ltd	1,42,631	Secured by personal guarantee of Directors

3. Earnings per Share

Particulars	Amount
Net Profit after Tax	7,58,298
Weighted Average No. of Shares	20,00,000
Basic EPS	0.38

4. CURRENT ASSETS, LOANS AND ADVANCES & LIABILITIES

In the opinion of the Board of Directors, sundry debtors, loans and advances have value on realization at least equal to amount at which they have been stated. The provision for all known liabilities is reasonable and not in excess of the amount considered reasonably necessary. During the year under audit there are no any current assets, loans & advances.

5. BALANCE CONFIRMATION

The Balances of the parties under the head debtors, creditors, unsecured loan and loans and advances are subject to confirmation.

6. MICRO, SMALL AND MEDIUM ENTERPRISE:

As per information provided by the Company, the company has circulated confirmation for the identification of suppliers registered under the Micro, Small and Medium Enterprises Development Act, 2006. The company has received confirmation from some of suppliers regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 and hence disclosures, relating to amounts unpaid, if any, as at the year-end together with interest paid/payable as required under the said Act has been given in financial statement to the extent the confirmation received from suppliers.

7. AUDITOR'S REMUNERATION

Auditor's Remuneration has been provided as below:

	31-03-2023 ₹.	31-03-2022 ₹.
Audit Fees	---	---
Legal Fees	---	---
TOTAL	---	---

8. C.I.F Value of Import (Rs. In Thousands)

Particulars	31-03-2023 ₹.
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Raw Materials	1541.804
Capital Goods	0.00
TOTAL	1541.804

9. Expenditure & Earnings in Foreign Exchange (Rs. In Thousands)

Particulars	31-03-2023 ₹.
Expenditure	0
Earning of Sale of Goods	0
	0

10. Consumption of Raw Materials (Rs. In Thousands)

Raw Material	₹.	31-03-2023 %
Imported	1541.804	6.73%
Indigenous	21,374.658	93.27%
TOTAL	22,916.462	100.00%

11. RELATED PARTY TRANSACTION

Transactions with related Parties are as under.

Related Party	Nature of Transaction	Amount
Vipul L Ghoniya	Director's remuneration	8,40,000
Laljibhai K Ghoniya	Director's remuneration	4,80,000
Kamal V. Ghoniya	Director's remuneration	8,40,000
Vipul L Ghoniya	Interest on Loan	27,25,683
Laljibhai K Ghoniya	Interest on Loan	6,44,131
Kamal V. Ghoniya	Interest on Loan	3,07,098
Shine Industries	Machinery Rent	85,00,000
Shine Engineering	Machinery Rent	70,00,000
Laljibhai K Ghoniya	Loan accepted	11,00,000
Vipul L Ghoniya	Loan accepted	69,10,000
Kamal V. Ghoniya	Loan accepted	42,30,091
Kamal V. Ghoniya	Repayment	57,67,112
Vipul L Ghoniya	Repayment	49,13,140

Name	Loan Given	Received Back	Closing
Shine Engineering	79,49,503	2,39,000/-	77,10,503
Kiran V. Ghoniya	9,20,000	---	9,20,000

12. FOREIGN EXCHANGE EARNING AND OUTGO

Foreign currency transactions are recorded at the prevailing exchange rates at the time of initial recognition. Exchange differences arising on final settlement are adjusted and recognized as income or expenses in the statement of profit and loss. Outstanding balances of monetary items denominated in foreign currency are restated at closing exchange rates and the difference adjusted as income or expenses in the statement of profit and loss.

13. TRANSACTIONS WITH STRUCK OFF COMPANY

The particulars of transactions with companies struck off under Section 248 of the Companies Act, 2013 or Section 560 of the Companies Act, 1956 are given as under:

Name of Struck off Company	Nature of Transaction with Struck off Company	Balance Outstanding	Relationship with Struck off Company
NIL			

14. UTILISATION OF BORROWED FUNDS AND SHARE PREMIUM:

A. The company has not advanced or loaned or invested funds (either borrowed funds or share premium or any other sources or kind of funds) to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding (whether recorded in writing or otherwise) that the Intermediary shall

I. 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

II. provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries;

B. Where a company has received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the company shall

I. 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

II. provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries,

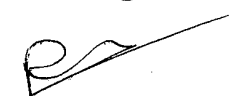
15. DETAILS OF CRYPTO CURRENCY OR VIRTUAL CURRENCY:


The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.


16. Balance of Cash on Hand is taken as certified by Management.

17. Figures have been rounded off to the nearest rupee in thousands and have been regrouped, rearranged and reclassified wherever necessary.

For **Shining Tools Limited**


(Vipul Ghoniya)
Director
DIN 06511100


(Kamal Ghoniya)
Director
DIN 06511096


(Laljibhai Ghoniya)
Director
DIN 06542648