

## INDEPENDENT AUDITOR'S REPORT

To,

The Members of,

**SHINING TOOLS LIMITED**

### **Report on the Audit of the 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 31st March 2024, and the statement of profit and loss and statement of cash flows and notes to the financial statement, for the year ended 31<sup>st</sup> March 2024, 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 gives the information required by the Companies Act, 2013 ("the ACT") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31<sup>st</sup> March, 2024, and its **Profit**, its 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 Standard on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the *Auditor's Responsibilities 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 Act and the Rules made thereunder, 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 Standalone Financial Statement.

#### **Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the Standalone Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have nothing to report as key audit matters.

## **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 information included in the Annual Report, but does not include the standalone financial statements and our auditor's report thereon.
- Our opinion on the standalone 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 standalone 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 in the 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.

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

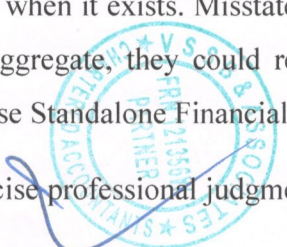
In preparing the standalone financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the 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 Responsibilities 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 control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to Standalone Financial statement 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.

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 (i) in 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 except for the matters stated in paragraph 14(h) (vi) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 (as amended);
  - (c) The Balance Sheet and the Statement of Profit and Loss (including other comprehensive income), the Statement of Cash Flow and Statement of Changes in Equity 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, 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 with reference to Standalone Financial Statements 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 with reference to the Standalone Financial Statement.
  - (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, as amended in our opinion and to the best of our information and according to the explanations given to us:
    - a. The Company does not have any pending litigations which would impact its financial position.
    - b. The Company does not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
    - c. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
    - d. (i) 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;  
(ii) 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

(iii) Based on the audit procedures performed 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) of the Companies (Audit and Auditors) Rules, 2014, as provided under (a) and (b) above, contain any material misstatement.

e. The company has not declared or paid any dividend during the year in contravention of the provisions of section 123 of the Companies Act, 2013.

f. In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

g. Based on our examination which included test checks, we concluded that company has used accounting softwares for maintaining its books of account which have a feature of recording audit trail (edit log) facility and the same has not been operated throughout the year for all relevant transactions recorded in the respective softwares.

The Company is using a Accounting Software which is operated by third- party service provider and hence we are unable to comment upon the audit trail feature of the database level of the said software which was enabled and operated throughout the year for all relevant transactions recorded in the software. Further, where audit trail (edit log) facility was enabled and operated, we did not come across any instance of the audit trail feature being tampered with.

2. As required by the Companies (Auditor’s Report) Order, 2020 (“the Order”) issued by the Central Government 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.

Date : 02/09/2024

Place : Ahmedabad

**For, V S S B & Associates**

Chartered Accountants

Firm No. 0121356W



(Vishves A. Shah)

Partner

M. No. 109944

UDIN: 24109944BKADCO8913

## **“Annexure A” to Independent Audit Report**

(Referred to in paragraph 1(f) under ‘Report on Other Legal and Regulatory Requirements’ section of our report of even date)

### **Report on the Internal Financial Controls with reference to Standalone Financial Statement under clause (i) of sub-section 3 of section 143 of the Companies Act, 2013 (“the Act”)**

We have audited the Internal Financial Controls with reference to Standalone Financial Statements of **Shining Tools Limited** (“the Company”) as of 31st March, 2024 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**

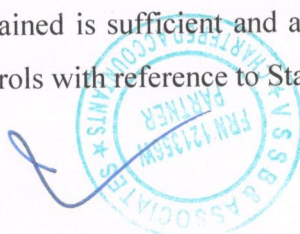
The Company’s management is responsible for establishing and maintaining internal financial controls based on the internal control with reference to Standalone Financial Statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. 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 Act.

#### **Auditors’ Responsibility**

Our responsibility is to express an opinion on the Company’s internal financial controls with reference to Standalone Financial Statements of the Company 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”) issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under -section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to Standalone Financial Statements. 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 with reference to Standalone Financial Statements 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 with reference to Standalone Financial Statements and their operating effectiveness. Our audit of internal financial controls with reference to Standalone Financial Statements included obtaining an understanding of internal financial controls with reference to Standalone Financial Statements, 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 judgement, 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 with reference to Standalone Financial Statements.



## **Meaning of Internal Financial Controls over Financial Reporting**

A company's internal financial control with reference to Standalone Financial Statement 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 authorizations 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.

## **Inherent Limitations of Internal Financial Controls over Financial Reporting**

Because of the inherent limitations of internal financial controls with reference to Standalone Financial Statements, 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 with reference to Standalone Financial Statements to future periods are subject to the risk that the internal financial control with reference to Standalone Financial Statements 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 our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls with reference to Standalone Financial Statements and such internal financial controls with reference to Standalone Financial Statements were operating effectively as at 31<sup>st</sup> March, 2024, based on the criteria for internal financial control with reference to Standalone Financial Statements 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.

Date : 02/09/2024

Place : Ahmedabad

**For, V S S B & Associates**

Chartered Accountants

Firm No. 0121356W



(Vishves A. Shah)

**Partner**

M. No. 109944

UDIN: 24109944BKADCO8913

**“ANNEXURE B” to the Independent Audit Report**

(Referred to in paragraph 2 under ‘Report on Other Legal and Regulatory Requirements’ section of our report of even date)

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

- (i.) (a) (i) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.
- (ii) The Company has maintained proper records showing full particulars of intangible assets during the financial year.
- (b) As explained to us, the Property, plant, and equipment have been physically verified by the management at reasonable intervals and no material discrepancies were noticed on such verification.
- (c) According to the information and explanations given to us and the records examined by us, we report that, the title deed of immovable properties are in the name of Company.
- (d) According to the information and explanation given to us and the records produced to us for our verification, the company has not revalued its Property, Plant and Equipment (including Right of Use assets) or intangible assets or both during the year. Accordingly, clause 3(i)(d) of the Order is not applicable.
- (e) In our opinion and according to the information and explanation given to us, the company does not have any proceedings initiated or are pending against the company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 and Rules made thereunder.
- (ii) (a) The inventory has been physically verified by the management during the year at reasonable intervals. In our opinion the coverage and procedure of such verification by the management is appropriate. The discrepancies of 10% or more in the aggregate for each class of inventory were not noticed.
- (b) According to the information and explanation given to us and the records produced to us for our verification, the company has not been sanctioned 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, This clause is not applicable.
- (iii) During the year, the company has not made any new investments in, provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties. Further, According to information and explanation available to us from the management of the company, during the previous year there were business advances given to the director’s relatives which are shown as opening balance in the current year. These transactions are

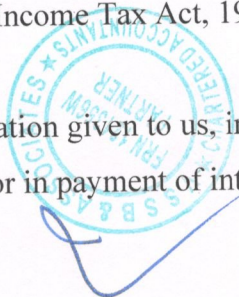


completed in the current year and hence there is no more advance to relatives at the end of balance sheet date.

- (iv) The Company has complied with the provision of section 185 and 186 of the Act. In respect of Loans, investment, guarantees and securities, as applicable.
- (v) The Company has not accepted any deposit or amounts which are deemed to be deposits within the provisions of sections 73 to 76 or any other relevant provisions of the Companies Act. Therefore, the provisions of paragraph 3(v) of the Order are not applicable.
- (vi) The maintenance of cost records has not been specified by the Central Government under Section 148(1) of the Act, for the business activities carried out by the Company. Thus, reporting under clause (vi) of the Order is not applicable.
- (vii) According to the information and explanations given to us, in respect of statutory dues:
- (a) The Company has not been regular in depositing undisputed statutory dues, including Goods and Service Tax, Cess and other material statutory dues applicable to it with the appropriate authorities. There were no undisputed amounts payable in respect of Goods and Service Tax, Cess and other material statutory dues in arrears as at 31st March, 2024 for a period of more than six months from the date they became payable.
- (b) Details of dues of Income Tax which have not been deposited as on 31st March, 2024 on account of disputes are given below:

Name of the Statute	Nature of the dues	Amount Rs.	Period To which the amount relates	Forum where dispute is pending	Remarks
Income tax	154 of the Income Tax Act, 1961	82,566	2021	CIT(A)	Demand under Section 154 of the Act
Income tax	143(3) of the Income Tax Act, 1961	8,44,530	2022	CPC	Demand under Section 143(3) of the Act
Provident Fund	Statutory liability pending	28,39,502	2023	-	-

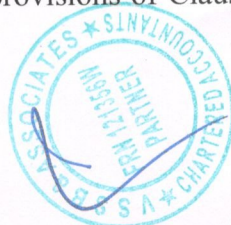
- (viii) There were no transactions relating to previously unrecorded income that were surrendered or disclosed as income in the tax assessments under the Income Tax Act, 1961 (43 of 1961) during the year.
- (ix) (a) According to information and explanation given to us, in respect of Loans and Advances, the company has not defaulted in repayment of loans or in payment of interest thereon to any lender.



- (b) The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.
- (c) The Company has not taken any term loan during the year and there are no unutilized term loans at the beginning of the year and hence, reporting under clause (ix)(c) of the Order is not applicable.
- (d) On an overall examination of the financial statements of the Company, funds raised on short-term basis have, prima facie not been used during the year for long-term purposes by the Company.
- (e) On an overall examination of the financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries.
- (f) The Company does not have any subsidiaries, joint ventures or associate companies. Therefore, the question of raising loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies does not arise.
- (x) (a) In our Opinion and according to the information and explanations given to us, the Company has not raised money by way of initial public offer or further public offer (including debt instruments). Therefore, the provision of Clause (x)(a) of paragraph 3 of the order are not applicable to the company.
- (b) During the year, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally) and hence reporting under clause (x)(b) of the Order is not applicable to the Company.
- (xi) (a) Based upon the audit procedures performed and the information and explanations given by the management, the company has neither committed any fraud nor has any fraud on the Company by its officers or employees has been noticed or reported during the year.
- (b) To the best of our knowledge, no report under sub-section 12 of section 143 of the Companies Act has been filed in Form ADT 4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and up to the date of this report.
- (c) As represented to us by the Management there were no whistle-blower complaints received by the Company during the year and up to the date of this report.
- (xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of the Order is not applicable.
- (xiii) On the basis of our examination of the books of accounts and other relevant records and information available to us, all transactions are with the related parties are in compliance with the applicable accounting standards. In our opinion provision of section 177 as to audited committee is not applicable to the company.
- (xiv) (a) In our opinion, the Company is not required to have an internal audit system u/s 138 of the Companies Act, Hence, this clause is not applicable.
- (b) This clause is not applicable to the company.



- (xv) In our opinion, during the year the Company has not entered into any non-cash transactions with its directors or persons connected with it directors and, hence, provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.
- (xvi) a) In our opinion and according to the information and explanations given to us, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3 (xvi) (a) of the Order is not applicable to the Company.
- b) According to the information and explanations given to us and based on our examination of the records of the Company the company has not conducted any Non-Banking Financial or Housing Finance activities. Accordingly, clause 3 (xvi) (b) of the Order is not applicable to the Company
- c) In our opinion and according to the information and explanations given to us, the company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, clause 3 (xvi) (c) of the Order is not applicable to the Company.
- d) There is no Core Investment Company as a part of the Group, hence, the requirement to report on clause 3 (xvi) (d) of the Order is not applicable to the Company.
- (xvii) The Company has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.
- (xviii) There has been resignation of the statutory auditors during the year and based on the information and explanations given to us by the management and the response received by us pursuant to our communication with the outgoing auditors, there have been no issues, objections or concerns raised by the outgoing auditors.
- (xix) 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 and 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 indicating that 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) There is no liability of the company under the provisions of section 135 of the Companies Act, relating to Corporate Social Responsibility. Therefore, the provisions of Clause (xx) of paragraph 3 of the order are not applicable to the Company.



(xxi) The reporting under clause (xxi) is not applicable in respect of audit of standalone financial statements of the Company. Accordingly, Therefore, the provisions of Clause (xxi) of paragraph 3 of the order are not applicable to the Company.

Date 02/09/2024  
Place Ahmedabad

**For, V S S B & Associates**

Chartered Accountants

Firm No.121356W



(Vishves A. Shah)

**Partner**

M. No. 109944

UDIN: 24109944BKADCO8913


**SHINING TOOLS LIMITED**

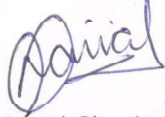
**BALANCE SHEET AS AT 31st MARCH, 2024**

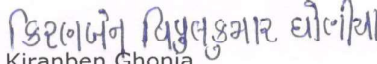
Particulars	Note	Current Year	Previous Year
<b>I. EQUITY AND LIABILITIES</b>			
<b>(1) Shareholder's Funds</b>			
(a) Share Capital	1	2,00,00,000	2,00,00,000
(b) Reserves and Surplus	2	2,49,88,528	53,54,786
(c) Money received against share warrants		-	-
		<b>4,49,88,528</b>	<b>2,53,54,786</b>
<b>(2) Share application money pending allotment</b>			
		-	-
<b>(3) Non-Current Liabilities</b>			
(a) Long-term borrowings	3	3,57,46,018	4,44,54,675
(b) Deferred tax liabilities (Net)	4	-	-
(c) Other Long term liabilities		-	-
(d) Long term provisions		-	-
		<b>3,57,46,018</b>	<b>4,44,54,675</b>
<b>(4) Current Liabilities</b>			
(a) Short-term borrowings	5	3,96,37,722	4,60,50,949
(b) Trade payables	6		
Micro and Small Enterprise		10,571	1,19,654
Other than Micro and small Enterprise		2,01,77,573	4,06,23,320
(c) Other current liabilities	7	82,42,300	86,95,874
(d) Short-term provisions	8	1,20,08,308	87,92,109
		<b>8,00,76,475</b>	<b>10,42,81,906</b>
<b>Total</b>		<b>16,08,11,021</b>	<b>17,40,91,368</b>
<b>II.Assets</b>			
<b>(1) Non-current assets</b>			
(a) Property, Plant & Equipment and Intangible Asset			
(i) Property, Plant & Equipment	9	6,59,77,286	5,92,12,618
(ii) Intangible assets		1,01,956	2,73,672
(iii) Capital work-in-progress		-	-
(iv) Intangible assets under development		-	-
(b) Non-current investments	10	-	26,000
(c) Deferred tax assets (net)	4	8,28,593	7,13,657
(d) Long term loans and advances		-	-
(e) Other non-current assets	11	-	-
		<b>6,69,07,835</b>	<b>6,02,25,947</b>
<b>(2) Current assets</b>			
(a) Current investments		-	-
(b) Inventories	12	2,98,53,579	3,52,62,850
(c) Trade receivables	13	2,37,71,968	3,78,93,505
(d) Cash and cash equivalents	14	34,31,275	20,36,873
(e) Short-term loans and advances	15	1,45,85,489	2,34,14,227
(f) Other current assets	16	2,22,60,875	1,52,57,966
		<b>9,39,03,186</b>	<b>11,38,65,421</b>
<b>Total</b>		<b>16,08,11,021</b>	<b>17,40,91,368</b>

See accompanying notes to the financial statements  
For Shining Tools Limited

As per our report of even date  
For V S S B & Associates  
Chartered Accountants,  
FRN: 121356W

  
Vipul Ghonia  
Director  
DIN-06511100

  
Kamal Ghonia  
Director  
DIN-06511096

  
કિરણબેન વિપુલકુમાર ઘોળીયા  
Kiranben Ghonia  
Director  
DIN-08510856



  
Vishves A Shah  
Partner  
MRN: 109944  
UDIN: 24109944BKADCO8913

PLACE : RAJKOT  
DATE : 02/09/2024

Place : Ahmedabad  
DATE : 02/09/2024


**SHINING TOOLS LIMITED**

**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31st MARCH, 2024**

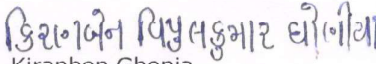
Particulars	Note No	Current Year	Previous Year
I. Revenue from operations	17	10,52,94,436	10,32,15,208
II. Other Income	18	7,47,763	12,83,737
<b>III. Total Revenue (I + II)</b>		<b>10,60,42,199</b>	<b>10,44,98,945</b>
<i>IV. Expenses:</i>			
Cost of materials consumed	19	2,02,10,813	2,72,30,813
Purchase of Stock-in-Trade	20	-	-
Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	21	34,06,827	24,99,027
Employee benefit expense	22	1,51,86,275	1,24,38,305
Financial costs	23	91,21,554	1,13,04,543
Depreciation and amortization expense	24	74,08,742	73,30,421
Other expenses	25	2,44,36,452	4,26,72,490
<b>Total Expenses</b>		<b>7,97,70,663</b>	<b>10,34,75,598</b>
V. Profit before exceptional and extraordinary items and tax	(III - IV)	2,62,71,536	10,23,347
VI. Exceptional Items		-	-
VII. Profit before extraordinary items and tax (V - VI)		2,62,71,536	10,23,347
VIII. Extraordinary Items		-	-
IX. Profit before tax (VII - VIII)		2,62,71,536	10,23,347
X. Tax expense:			
(1) Current tax		67,32,275	5,33,189
(2) Deferred tax		(1,14,936)	(2,68,140)
(3) Shortfall of earlier years tax provision		20,455	-
XI. Profit(Loss) from the period from continuing operations	(VII-VIII)	1,96,33,742	7,58,298
XII. Profit/(Loss) from discontinuing operations		-	-
XIII. Tax expense of discontinuing operations		-	-
XV. Profit/(Loss) for the period (XI + XIV)		<b>1,96,33,742</b>	<b>7,58,298</b>
XVI. Earnings before interest, tax, depreciation and amortization		<b>4,20,69,246</b>	<b>1,89,54,661</b>
XVI. Earning per equity share:			
(1) Basic		9.82	0.38
(2) Diluted		9.82	0.38

See accompanying notes to the financial statements  
For Shining Tools Limited

As per our report of even date  
For V S B & Associates  
Chartered Accountants,  
FRN: 121356W

  
Vipul Ghonia  
Director  
DIN-06511100

  
Kamal Ghonia  
Director  
DIN-06511096

  
Kiranben Ghonia  
Director  
DIN-08510856



  
Vishves A Shah  
Partner  
MRN: 109944  
UDIN: 24109944BKADCO8913

PLACE : RAJKOT  
DATE : 02/09/2024

Place : Ahmedabad  
DATE : 02/09/2024

**SHINING TOOLS LIMITED**

**CASH FLOW STATEMENT FOR THE YEAR 2023-24**

	Description	2023-24	2022-23
CASH FLOW FROM OPERATING ACTIVITIES	Net profit before tax	2,62,71,536	10,23,347
	<b>Adjustments for:</b>		
	Depreciation and non cash items-amortization	74,08,742	73,30,421
	Accumulated Loss from Gurgaon Branch	-	-
	Exchange differences on items under financing activities	-	-
	Income Tax debited in other expense to P&L	-	-
	Finance Charges	91,21,553	1,13,04,543
	Income tax paid	(5,33,189)	(6,38,187)
	PGVCL Deposit	-	-
	Reliance Industries Ltd Deposit	-	-
	United India Insurance Co. Deposit	-	-
	(Gain)/Loss on sale of assets	-	-
	(Increase)/Decrease in current assets	2,13,56,637	54,47,402
Increase/(Decrease) in current liabilities	(3,04,24,973)	4,05,095	
<b>NET CASH FLOW FROM OPERATING ACTIVITIES:</b>	<b>3,32,00,306</b>	<b>2,48,72,621</b>	
CASH FLOW FROM INVESTING ACTIVITIES	Capital Expenditures	(1,40,01,694)	(11,29,785)
	Acquisition in Other Co's	-	-
	Proceeds from Sales of Assets	-	2,50,000
	Purchases of Investments	-	-
	Sale of Investments	26,000	9,50,000
	Other Investment Activities	-	-
	<b>NET CASH USED FOR INVESTING ACTIVITIES:</b>	<b>(1,39,75,694)</b>	<b>70,215</b>
CASH FLOW FROM FINANCING ACTIVITIES	Proceeds from Borrowings (net of repayment and adjustment)	-	-
	Payments on Borrowings	(87,08,657)	(1,28,03,745)
	Dividends Paid to Shareholders	-	-
	Dividend Distribution Tax Paid	-	-
	Proceeds from Minority Interest	-	-
	Net Proceeds from shares	-	-
	Preliminary Expense	-	-
	Finance charges	(91,21,554)	(1,13,04,543)
<b>NET CASH USED FOR FINANCING ACTIVITIES:</b>	<b>(1,78,30,211)</b>	<b>(2,41,08,288)</b>	
	INCREASE / (DECREASE) TO CASH	13,94,401	8,34,549
	BEGINNING CASH BALANCE	20,36,873	12,02,324
	ENDING CASH BALANCE	34,31,274	20,36,873

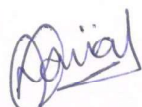
For Shining Tools Limited

For V S S B & Associates

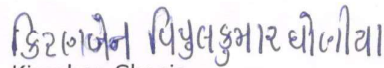
Chartered Accountants,  
FRN: 121356W



Vipul Ghonia  
**Director**  
DIN-06511100

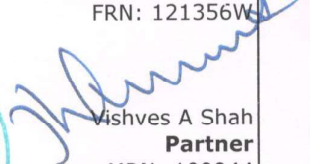


Kamal Ghonia  
**Director**  
DIN-06511096



Kiranben Ghonia  
**Director**  
DIN-08510856





Vishves A Shah  
**Partner**  
MRN: 109944  
UDIN: 24109944BKADCO8913

PLACE : RAJKOT  
DATE : 02/09/2024

Place : Ahmedabad  
DATE : 02/09/2024

**Re: SHINING TOOLS LIMITED**

**CIN: U29220GJ2013PLC074803**

**Note:** (forming part of standalone financial statements for the year ended March 31, 2024)

**General Information:**

Shining Tools Limited is a Public Limited company domiciled in India having CIN: U29220GJ2013PLC074803. The registered office of the company is located at Survey No.63/2, Plot No. 2, Rajkot-Gondal Highway, At: Pipaliya, Tal: Gondal, Dist: Rajkot, Gujarat, India, 360311. The Company is engaged in the business of Manufacturing of cutting Tools & Jobwork of re – sharpening of tools.

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:**

**i. Basis of preparation of Financial statements:**

These standalone financial statements have been prepared to comply with the Generally Accepted Accounting Principles (Indian GAAP), including Accounting Standards notified under the relevant provisions of the Companies Act, 2013. The standalone financial statements have been prepared on accrual basis under the historical cost convention. The accounting policies not specifically referred, are consistently applied from the past accounting periods.

**ii. Use of estimates:**

The preparation of standalone financial statements in conformity with the Generally Accepted Accounting Policies requires the management to make estimates and assumptions that affect the reported amount of assets, liabilities, revenues and expenses and disclosures of contingent assets and liabilities. The estimates and assumptions used in the accompanying standalone financial statements are based upon management's evaluation of the relevant facts and circumstances as on the date of the standalone financial statements. Actual results may differ from the estimates and assumptions used in preparing the accompanying financial statements. Any differences of actual results to such estimates are recognized in the period in which the results are known/ materialized.

**iii. Revenue recognition**

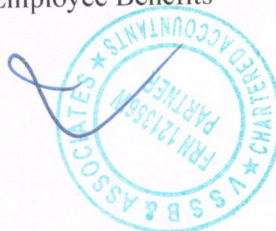
Having regard to size, nature and complexity of business and practices followed by others in the same line and level of business, the management is of opinion that Company is applying accrual basis of accounting for recognition of income and expenditure earned or incurred respectively, in the normal course of business.

**iv. Inventories**

Inventories are stated at the lower of cost or net realisation value.

**v. Employee benefits**

Short term benefits such as salary, bonus, ex-gratia and other benefits as may be applicable on the Company are accounted for on accrual basis. The Company at present does not have any Defined Contribution Plan or Defined Benefit Plan as contemplated under AS- 15 on 'Employee Benefits'





**vi. Taxes on income**

Tax Expenses comprise of Current and Minimum Alternate Tax. Current Tax is determined as the amount of tax payable on the taxable income for the year, using tax rates as per the relevant tax regulations and any adjustment to tax payable in respect of previous year.

Income-tax expense comprises current tax and deferred tax charge or credit. The deferred tax asset and deferred tax liability is calculated by applying tax rate and tax laws that have been enacted or substantially enacted by the Balance Sheet date. Deferred tax assets arising mainly on unabsorbed depreciation under tax laws, are recognised, only if there is a virtual certainty of its realisation, supported by convincing evidence.

Deferred tax assets on account of other timing differences are recognised only to the extent there is a reasonable certainty of its realisation. At each Balance Sheet date, the carrying amount of deferred tax assets are reviewed to reassure realisation.

Current income tax expense comprises taxes on income from operations in India and in foreign jurisdictions. Income tax payable in India is determined in accordance with the provisions of the Income Tax Act, 1961. Tax expense relating to foreign operations is determined in accordance with tax laws applicable in countries where such operations are domiciled. Minimum Alternative Tax (MAT) paid in accordance with the tax laws in India, which gives rise to future economic benefits in the form of adjustment of future income tax liability, is considered as an asset if there is convincing evidence that the Company and its Indian subsidiaries will pay normal income tax after the tax holiday period. Accordingly, MAT is recognised as an asset in the balance sheet when the asset can be measured reliably and it is probable that the future economic benefit associated with it will fructify.

**vii. Provisions**

A provision is recognized when the Company has a present obligation as a result of past event, it is probable that an outflow of resource embodying economic benefits will be require to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the reporting date. These estimates are reviewed at the end of each reporting date and adjusted to reflect the current best estimates.

**viii. Property, Plant & Equipment (AS- 10)**

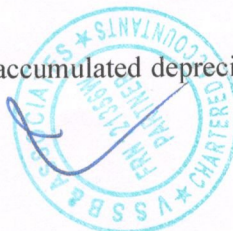
**a. Fixed Assets:-**

Fixed Assets are value at cost less depreciation. The depreciation has been calculated as prescribed in Companies Act, 2013 on single shift and if the Asset is purchased during the year depreciation is provided on the days of utilisation in that year.

**b. Depreciation on Fixed Assets:-**

Pursuant to Companies Act, 2013 ('the Act') being effective from 1 April 2014, the Company has revised Depreciation rates on tangible fixed assets as per the useful life specified in part 'C' of schedule II of the Act. Depreciation on Fixed Assets is provided as per Straight Line method on the basis of useful life of assets specified and in the manner specified in the Schedule II of the Companies Act, 2013.

Tangible assets, if any are stated at cost, less accumulated depreciation and impairment, if any. Direct costs are capitalized until such assets are ready for use.



Depreciation has been charged on cost of fixed assets, adopting the following methods / rates:

1. On straight line method over the remaining useful life of the assets as prescribed under Schedule II to the Companies Act, 2013 or as estimated by the Management.
2. If the cost of a part of the asset is significant to the total cost of the asset and useful life of that part is different from the useful life of the remaining asset, useful life of that significant part is determined separately for depreciation.
3. For other assets acquired / sold during the year pro-rata charge has been made from the date of first use or till the date of sale.

**ix. Cash and cash equivalents:**

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

For the purposes of the cash flow statement, cash and cash equivalents include cash on hand, in banks and demand deposits with banks, net of outstanding bank overdrafts that are repayable on demand, book overdraft and are considered part of the Company's cash management system.

**x. Auditor's Remuneration: (In Thousands)**

Particulars	2023-24	2022-23
Audit Fees	16.00	2.50

**xi. Details of Foreign Exchanges Earnings and Out Go:- (In Thousands)**

Sr No	Particulars	31st March, 2024	31st March, 2023
1	Foreign Exchange Earning	-	-
2	Foreign Exchange Out Go	-	1541.80

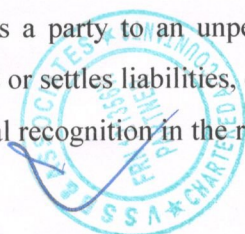
Details of foreign exchange mentioned above are certified and provided by the Management of the company.

**xii. The Effect of changes in Foreign Exchange Rates:**

An enterprise may carry on activities involving foreign exchange in two ways. It may have transactions in foreign currencies or it may have foreign operations.

**Initial Recognition:**

A foreign currency transaction is a transaction which is denominated in or requires settlement in a foreign currency, including transactions arising when an enterprise either: (a) buys or sells goods or services whose price is denominated in a foreign currency; (b) borrows or lends funds when the amounts payable or receivable are denominated in a foreign currency; (c) becomes a party to an unperformed forward exchange contract; or (d) otherwise acquires or disposes of assets, or incurs or settles liabilities, denominated in a foreign currency. A foreign currency transaction should be recorded, on initial recognition in the reporting currency, by applying to the foreign



currency amount, the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

**At Balancesheet date**

(a) foreign currency monetary items should be reported using the closing rate. However, in certain circumstances, the closing rate may not reflect with reasonable accuracy the amount in reporting currency that is likely to be realised from, or required to disburse, a foreign currency monetary item at the balance sheet date, e.g., where there are restrictions on remittances or where the closing rate is unrealistic and it is not possible to effect an exchange of currencies at that rate at the balance sheet date. In such circumstances, the relevant monetary item should be reported in the reporting currency at the amount which is likely to be realised from, or required to disburse, such item at the balance sheet date; (b) non-monetary items which are carried in terms of historical cost denominated in a foreign currency should be reported using the exchange rate at the date of the transaction; and (c) non-monetary items which are carried at fair value or other similar valuation denominated in a foreign currency should be reported using the exchange rates that existed when the values were determined.

**xiii. Cash Flow Statement (AS-3)**

Cash flows are reported using the indirect method, whereby profit before tax is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the group are segregated.

xiv. In the opinion of the Board, 'Trade Receivables', 'Loans and Advances' and 'Other Current Assets' are approximately of the value stated if realized in the ordinary course of business. Confirmation Letters have not been obtained in respect of Trade Receivable, Trade Payables, loans taken and loan/advances given. Accordingly, such balances are subject to confirmation, reconciliation and consequent adjustments, if any

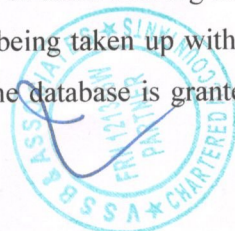
**xv. Related Party Disclosure:**

List of related parties where control exists and also related parties with whom transactions have taken place and relationships, has been disclosed in *Annexure – I* to the Notes to Accounts.

**xvi. Other Note:**

As per the Ministry of Corporate Affairs (MCA) notification, proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014, for the financial year commencing April 1, 2023, every company which uses accounting software for maintaining its books of account, shall use only such accounting software which has a feature of recording audit trail of each and every transaction, creating an edit log of each change made in the books of account along with the date when such changes were made and ensuring that the audit trail cannot be disabled. The interpretation and guidance on what level edit log and audit trail needs to be maintained evolved during the year and continues to evolve.

In the company, the accounting software has a feature of audit trail, but it was disable at an application level for maintenance of books of accounts and relevant transactions. However, the global standard ERP used by the Company has not been enabled with the feature of audit trail log at the database layer to log direct transactional changes, due to present design of ERP. This is being taken up with the vendor. In the meanwhile, the Company continues to ensure that direct write access to the database is granted only via an approved change management process.



xvii. As certified by the company that it was received written representation from all the directors, that companies in which they are directors had not defaulted in terms of section 164(2) of the companies Act, 2013, and the representation from directors taken in Board that Director is disqualified from being appointed as Director of the company.

xviii. **Contributed Equity**

Equity shares are classified as equity.

**Earnings per Share**

Basic earnings per share is calculated by dividing:

-the profit attributable to the owners group

-by the weighted average number of equity shares outstanding during the year.

**1.2 NOTES FORMING PART OF ACCOUNTS**

- (i) Balance of cash on hand at the end is accepted as certified by the management of the company
- (ii) The figures of the previous year are regrouped as and where required from the report of the previous auditor.
- (iii) Balance of Sundry Debtors, Creditors, Loans & advances are subject to confirmation of the parties taken by Management.

For and on behalf of the board of directors

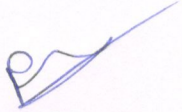
**For, Shining Tools Limited**

As per our attached report of even date

**For, V S S B & Associates,**

Chartered Accountants

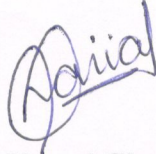
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**Vipul Ghonia**

(Director)

(DIN: 06511100)



**Kamal Ghonia**

(Director)

(DIN: 06511096)



**(Vishves A. Shah)**

(Partner)

M No:-109944

UDIN: 24109944BKADCO8913

કિરણબેન વિપુલકુમાર ઘોળીયા

**Kiranben Ghonia**

(Director)

(DIN: 08510856)

Place: Rajkot

Date: 02/09/2024

Place: Ahmedabad

Date: 02/09/2024

## Annexure 1

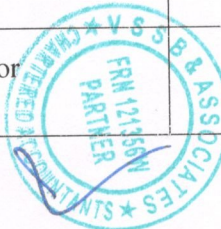
### Related Party Disclosure:

- Directors & Key Managerial Personnel:-

No.	Name of Key Managerial Personnel	Designation / Relationship
1.	Vipulbhai Laljibhai Ghonia	Director
2.	Kamalbhai Laljibhai Ghonia	Director
3.	Kiranben Vipulbhai Ghonia	Director
4.	Shine Engineering	Relatives of KMP
5.	Shine Industries	Relatives of KMP
6.	Priti Ghonia	Relative of KMP
7.	Laljibhai Ghonia	Relatives of KMP
8.	Shining Machining Solution	Relatives of KMP
9.	Shining Technology	Relatives of KMP

- Related Parties Transactions:-

No.	Name of Personnel	Relationship	Nature of Transaction	Amount of Transaction
1	Vipulbhai Laljibhai Ghonia	Director	Remuneration	12,00,000
2	Kamalbhai Laljibhai Ghonia	Director	Remuneration	12,00,000
3	Kiranben Vipulbhai Ghonia	Director	Remuneration	12,00,000
4	Shining Machining Solution	Relatives of KMP	Loan Repayment	33,58,000
5	Shine Technology	Relatives of KMP	Loan Repayment	10,35,715
6	Vipulbhai Laljibhai Ghonia	Director	Interest	26,78,284
7	Kamalbhai Laljibhai Ghonia	Director	Loan Accepted	3,78,32,500



8	Kiranben Vipulbhai Ghonia	Director	Loan Accepted	15,85,000
9	Vipulbhai Laljibhai Ghonia	Director	Loan Repayment	61,33,054
10	Priti Ghonia	Relative of KMP	Interest	10,332
11	Laljibhai Ghonia	Relative of Director	Interest	6,66,589
12	Priti Ghonia	Relative of KMP	Loan Accepted	23,52,000
13	Vipulbhai Laljibhai Ghonia	Director	Loan Accepted	67,07,000
14	Kamalbhai Laljibhai Ghonia	Director	Repayment of Loan	4,11,18,500
15	Kiranben Vipulbhai Ghonia	Director	Repayment of Loan	6,40,000
16	Priti Ghonia	Relative of KMP	Repayment of Loan	23,51,750
17	Shine Engineering	Relatives of KMP	Machinery Purchased	75,00,000
18	Shine Industries	Relatives of KMP	Machinery Purchased	65,00,000

