



**26th
Annual
Report
2016-2017**

VISHAL BEARINGS LIMITED

Chairman's

Letter to Shareholders

2016-17. At VISHAL, the year was marked by a focused drive for steady, sustainable growth. Despite the domestic market registering a slowdown, reacting to the demonetization and currency correction initiative of the Government, your Company recorded a turnover of Rs. 33.07 Crores overcoming hurdles with growth-led strategies of enhancing efficiencies, exploring new markets and enlarging the customer base.

In line with this, the Company followed a roadmap of capacity enhancement, market and channel development, customer partnering and value-added services to grow the business.

During the year the Company rolled out work practices for optimizing efficiencies, reducing downtime, managing cost and adhering to best-in-class standards in quality and execution. Training and capability building programmes enhanced people efficiencies, gearing them for greater responsibilities and growth.

At VISHAL, the future holds great promise. The Company's reputation as a manufacturer of quality bearings and its technical expertise has positioned it as a reliable supplier to large. The Government's 'Make-in-India' thrust and infrastructure building programmes will further provide us the opportunities in conventional and emerging markets.

At VISHAL there is a strong focus on building sustainable and profitable growth. The team has charted out an aggressive growth map and is well on the way to meet ambitious targets that it has set for itself.

Our People are our greatest assets. I thank the respective teams across the Company for their diligence and dedication and look forward to the achievement of greater goals.

In our journey, the members of the Board have been a great source of strength and support. I thank them sincerely for their active involvement, support and guidance to the Company's Management Team and to me personally.

I thank all of you dear shareholders for your continued support and for the confidence reposed in us. We will do our best.

Sincerely,

Dilipkumar Changela
Chairman & Managing Director

DRIVING SUSTAINABLE PROFITABLE GROWTH



2016-2017 - Leveraged its strength of being a manufacturer of quality bearings and assemblies to enlarge its market presence, create a robust channel, enhance process capabilities and build a strong people resource.



The year was marked by a concerted drive for consideration of competencies, innovative engineering, customer centric value creation and brand leadership.



Differentiated strategies with one clear focus driving sustainable, profitable growth.

BEARINGS TO GROW



Products that drive the wheels of industry. The engineering expertise honed from serving a wide and varied customer spectrum.

A people resource driven with a passion to go beyond possibilities. At VISHAL, raising the bar is part of the Company's DNA.



2016-17 was marked with a consolidation of competencies, of innovation, precision engineering, customer-centricity and global quality systems.

The year determined the direction. With a roadmap large in scope and scale, VISHAL is ready and all geared to grow.

Content

01	Corporate information
02	Five Year Highlights
03	Notice
07	Director Report
14	Management Discussion and Analysis
19	Report on Corporate Governance
36	Annexure to the Directors Report
53	Independent Auditor's Report
61	Balance Sheet
63	Statement of Profit and Loss
65	Cash Flow Statement
67	Notes Forming Part of Financial Statement
....	Attendance Slip
....	Proxy Form
....	Route MAP
....	Note Page

Corporate Information

BOARD OF DIRECTORS

Dilipkumar Changela
Chairman and Managing Director

Hiralal Changela
Whole time Director

Vrajlal Changela
Whole time director

Niteshkumar Patel
Independent director

Rakesh Savani
Independent director

Urja Ghetiya
Independent director

Vishal Changela
Chief financial officer

Divyesh Changela
Chief operating officer

AUDIT COMMITTEE

Mr. Rakesh Savani – Chairman
Ms. Urja Ghetiya - Member
Mr. Vrajlal Changela – Member

NOMINATION AND REMUNERATION COMMITTEE

Mr. Rakesh Savani – Chairman
Ms. Urja Ghetiya - Member
Mr. Niteshkumar Patel – Member

REGISTERED OFFICE

Survey No. 22/1, Plot No.1,
Shapar Main Road, Shapar (Veraval)
Rajkot – 360 024, GUJARAT
Tel: +91-2827-252273
Email: compliance@vishalbearings.com
Website: www.vishalbearings.com

STATUTORY AUDITOR

M/s. SVK & Associates
Chartered Accountant
Ahmedabad

INTERNAL AUDITOR

Mayur Raiyani
Chartered Accountant
Rajkot

COMPANY SECRETARY AND COMPLIANCE OFFICER

Ms. Dimpri Sampat

BANKER

Kotak Mahindra Bank
HDFC Bank
State Bank of India

STOCK EXCHANGE

BSE Limited
Phiroze Jeejeebhoy
Towers,
Dalal Street, Fort,
Mumbai – 400 001

REGISTRAR & SHARE TRANSFER AGENT

Karvy Computershare Private Limited
Corporate Office: Karvy Selenium Tower B,
Plot No. 31 & 32, Financial District,
Nanakramguda, Gachibowli,
Hyderabad – 500 032, Telengana, India,
Tel: +91-40-67162222, 33211000,

SHAREHOLDER RELATIONSHIP COMMITTEE

Ms. Urja Ghetiya - Chairman
Mr. Rakesh Savani – Member
Mr. Dilipkumar Changela- Member

Financial Highlights

		(₹ in lacs)				
Particulars	2016-17	2015-16	2013-14	2012-13	2011-12	
I CAPITAL ACCOUNTS						
A	Share capital	595.50	479.60	25.00	25.00	25.00
B	Reserves	294.49	333.19	254.70	220.58	125.56
C	Money received against convertible Warrants	0	0	0	0	0
D	Shareholders' Funds (A+B+C)	893.99	812.78	279.7	245.58	150.56
E	Borrowings	1664.13	1550.98	1187.75	1083.70	1005.48
F	Deferred Tax Liability (Net)	63.72	70.50	51.18	52.88	47.75
G	Capital Employed (D+E+F)	2621.84	2434.26	1518.63	1382.16	1203.79
II REVENUE ACCOUNTS						
A	Gross revenue	3306.13	2314.60	2109.46	1861.01	1608.29
B	Profit/Loss before Tax	123.46	54.30	213.65	146.70	15.64
	% of gross revenue	3.73	2.34	10.98	7.88	0.97
C	exceptional item	0	0	0	0	0
D	Profit/Loss after Tax	81.20	34.45	151.12	94.57	105.84
	% of gross revenue	2.46	1.48	7.16	5.08	6.58
III SHAREHOLDERS' EARNINGS						
A	Earnings per share	1.36*	0.65*	604.48	378.29	423.37

* Face Value of Equity Share - ₹ 10/-

Notice

of 26th Annual General Meeting

VISHAL BEARINGS LIMITED

CIN: L29130GJ1991PLC016005

Regd. Office: Survey No. 22/1, Plot No.1,
Shapar Main Road, Shapar (Veraval), Dist.
Rajkot, Gujarat-360002, India.

Tel: 2827-252273, Fax: 2827-253087

Email: compliance@vishalbearings.com

Website: www.vishalbearings.com

NOTICE IS HEREBY GIVEN THAT THE 26th ANNUAL GENERAL MEETING OF THE MEMBERS OF VISHAL BEARINGS LIMITED WILL BE HELD ON FRIDAY, SEPTEMBER 29, 2017 AT 4:00 P.M. AT REGISTERED OFFICE OF THE COMPANY SITUATED AT SURVEY NO. 22/1, PLOT NO. 1, SHAPAR MAIN ROAD, SHAPAR (VERAVAL) – 360 024, DIST. RAJKOT, GUJARAT, TO TRANSACT THE FOLLOWING BUSINESS:

Ordinary Business:

1. To receive, consider and adopt the Audited Financial Statements of the Company for the Financial Year ended 31st March, 2017 along with Board's Report and Auditors' Report thereon.
2. To appoint a director in place of Mr. Vrajlal Changela, whole-time director (DIN: 00247295), who retire by rotation and being eligible, offers himself for re-appointment.
3. TO APPOINT STATUTORY AUDITOR OF THE COMPANY

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

"RESOLVED THAT pursuant to the provisions of Section 139, 142 and all other applicable provisions of the Companies Act, 2013 and the Companies (Audit and Auditors) Rule, 2014 M/s. SVK & Associates, Chartered Accountant, Rajkot (Firm Registration No. 118564W) be and hereby are appointed as Statutory Auditors of the Company to hold office upto the conclusion of 26th Annual General Meeting until the conclusion of next Annual General Meeting and to fix their remuneration plus reimbursement of out-of-pocket expenses, as may be mutually agreed to between the Board of Directors and the Auditors."

BY ORDER OF THE BOARD OF DIRECTORS

Dilipkumar Changela
Chairman & Managing Director
DIN: 00247302

Place: Shapar (Veraval)

Date: September 02, 2017

Notes:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT ONE OR MORE PROXIES TO ATTEND AND VOTE, IN CASE OF POLL ONLY, ON HIS/HER BEHALF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE PROXIES, IN ORDER TO BE VALID, SHOULD BE DULY COMPLETED, STAMPED AND SIGNED AND MUST BE LODGED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.

Further, a person can act as proxy on behalf of member or members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the company carrying voting rights may appoint a single person as proxy and such person shall not act as proxy for any other shareholder.

2. Members/Proxies are requested to bring duly filled in Attendance slip along with the Annual Report at the Annual General Meeting (AGM). Corporate members are requested to send duly certified copy of the Board Resolution pursuant to Section 113 of the Companies Act, 2013 authorizing their representative to attend and vote at the AGM.
3. In case of joint holders attending the meeting, the joint holder with highest in order of names will be entitled to vote.
4. The information of Directors proposed to be appointed/re-appointed at the ensuing the AGM in terms of Regulation 36 (3) (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") and Secretarial Standard on General Meeting (SS-2) issued by the institute of Company Secretaries of India (ICSI) is annexed to the Notice. The Company is in receipt of relevant disclosures/consents from the Directors pertaining to their re-appointment.
5. Pursuant to Regulation 42 of Listing Regulations, Register of Members and the Share Transfer Books of the Company shall remain closed from 24th September, 2017 to 29th September, 2017 (both days inclusive).
6. To avoid fraudulent transactions, the identity/signature of the members holding shares in electronic/demat form is verified with the specimen signatures furnished by NSDL/CDSL and that of members holding shares in physical form is verified as per the records of the share transfer agent of the Company. Members are requested to keep the same updated.
7. In terms of Companies Act, 2013 read together with the Rules made thereunder, the listed companies may send the notice of annual general meeting and the annual report, including Financial statements, Board Report, etc. by electronic mode. The Company is accordingly forwarding soft copies of the above referred documents to all those members through e-mail, who have registered their email ids with their respective depository participants or with the share transfer agent of the Company.
8. To receive shareholders' communications through electronic means, including annual reports and notices, members are requested to kindly register/update their email address with their respective depository participant or Registrar.

9. With a view to help us serve the members better, members who hold shares in identical names and in the same order of names in more than one folio are requested to write to the Company to consolidate their holdings in one folio.
10. Members, who still hold share certificates in physical form are advised to dematerialise their shareholding to avail of the numerous benefits of dematerialisation, which include easy liquidity, ease of trading and transfer, savings in stamp duty and elimination of any possibility of loss of documents and bad deliveries.
11. Members are requested to address all correspondence, including change in their addresses, to the Company or to the Registrar and Share Transfer Agent, M/s. Karvy Computershare Private Limited, Karvy Selenium Tower B, Plot No. 31 & 32, Financial District, Nanakramguda, Gachibowli, Hyderabad – 500 032, Telengana, India, E- mail: vishalbearings.ipa@karvy.com. Members whose shareholding are in electronic mode are requested to approach their respective depository participants for effecting change of address.
12. Members seeking any information relating to Accounts are requested to write to the Company at least 10 days before the date of the Annual General Meeting to enable the Management to keep the required information ready at the meeting.
13. Pursuant to provisions of the Companies Act, 2013, shareholders are entitled to make nomination in respect of shares held by them. Shareholders desirous of making nomination are requested to send their request in the prescribed Form SH-13 (a copy of which is made available on request) with the Company or share transfer agent.
14. Members/Proxies are requested to bring the copies of annual reports and attendance slips to attend the meeting. Attendance Slip duly filled in and to affix their signature at the place provided on the Attendance Slip and hand it over at the counters at the venue.
15. Members who hold the shares in the dematerialized form are requested to incorporate their DP ID Number and Client ID Number in the Attendance Slip/Proxy Form, for easier identification of attendance at the Meeting.
16. Please note that for security reasons, no article/baggage will be allowed at the venue of the meeting.
17. Complete of the venue of the Meeting including route map and mark for easy location is enclosed for the convenience of the members. The same has also hosted at the website of the company at <http://www.vishalbearings.com>.
18. For more details on shareholders' matters, please refer to the chapter on General Shareholder Information, included in the Annual Report.

DETAILS OF THE DIRECTOR SEEKING APPOINTMENT / RE-APPOINTMENT

Name of the Director	Mr. Vrajlal G. Changela
DIN	00247295
Nature	Re-appointment as Whole-Time Director (Retire by Rotation)
Date of Birth	16/08/1952
Qualification	Bachelor of Arts (B.A.)
Date of Appointment	11/05/2016
Experience	Experience of more than 35 Years
Directorship Held in other Public Limited Company	NA
No. of Shares Held	647,500
List of other companies in which Directorship are held	VIRDEEP ENGINEERING PRIVATE LIMITED
Chairmanship or membership on other companies	NA

Directors' Report

To
The Members

Your Directors feel great pleasure in presenting 26th Annual Report of your Company comprising the Audited Financial Statements for the year ended 31st March, 2017.

FINANCIAL HIGHLIGHTS:

Financial Particulars	For the year ended March 31	
	2017	2016
Revenue from operations	330,613,343	231,460,040
Other Incomes	5,754,365	(228,174)
Total revenues	336,367,708	231,231,866
Cost of Material consumed	181,093,365	127,748,689
Changes in Inventory	4,127,661	(27,083,347)
Employee Benefit expense	56,056,235	44,488,676
Finance Costs	17,261,985	16,600,474
Depreciation and amortization expense	25,475,145	22,299,467
Other expenses	40,007,440	41,748,259
Total Expenses	324,021,831	225,802,218
Profit before tax	12,345,877	5,429,648
Tax expense	4,225,929	1,984,645
Profit for the year	8,119,948	3,445,003

REVIEW OF OPERATIONS:

During the year under review, the Company has registered a turnover of Rs. 336,367,708.00 (previous year Rs. 231,231,866.00) and Net Profit after Tax of Rs. 8,119,948.00 (previous year Rs. 3,445,003.00).

BONUS ISSUE OF SHARES:

During the year under review, the Company on November 14, 2016 allotted fully paid bonus Equity Shares in the proportion of 1 (One) Equity Shares for every 4 (Four) existing Equity Shares held by the members.

Consequently, the issued, subscribed and paid up equity share capital of the Company after bonus issue of Equity Shares is Rs. 59,950,000.00 (Rupees Five Crore Ninety-Nine Lac Fifty Thousand Only) divided into 59,95,000 Equity Shares of the face value of Re. 10.00 (Rupees Ten Only) each.

MATERIAL CHANGES AND COMMITMENT, IF ANY, AFFECTING THE FINANCIAL POSITION OF THE COMPANY OCCURRED BETWEEN THE END OF THE FINANCIAL YEAR TO WHICH THE FINANCIAL STATEMENTS RELATES AND THE DATE OF THE REPORT:

The Company continued to operate in the business of manufacturing of "Auto Components" and there was no change in business activities. No material changes and commitment affecting the financial position of the Company occurred between end of the financial year and the date of this report.

ENHANCEMENT OF AUTHORISED SHARE CAPITAL

During the year under review, the Authorized Share Capital of the Company to be increased from Rs. 50,000,000 (Rupees Five Crore) divided into 5,000,000 (Fifty Lac) Equity Shares of Rs. 10/- each to Rs. 100,000,000 (Rupees Ten Crore) divided into 10,000,000 (One Crore) Equity Shares of Rs. 10/- each by creation of additional 50,000,000 (Rupees Five Crore) Equity Shares of Rs. 10/- each ranking paripassu in all respect with the existing Equity Shares.

DIVIDEND

In view of requirement of financial resources and considering the future requirements of funds, your directors are unable to recommend any Dividend for the year ended on March 31, 2017.

DEMATERIALIZATION OF SHARES

The shares of your Company are being traded in electronic form and the Company has established connectivity with both the depositories i.e. National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). Pursuant to dematerialization of shares, the company has entered into an agreement with NSDL & CDSL. As on March 31, 2017, 100% of the share capital of the company is dematerialized.

DIRECTORS AND KEY MANAGERIAL PERSONNEL:

In accordance with the provisions of section 152 of the Companies Act, 2013 read with Companies (Management and Administration) Rules, 2014 and Articles of Association of the Company, Mr. Vrajlal G. Changela, Director of the Company, retires by rotation at the ensuing Annual General Meeting and being eligible, has offered himself for re-appointment and your Board recommends his re-appointment.

As stipulated under the Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations) and SS-2 issued by ICSI, the brief resume of the Directors proposed to be appointed/re-appointed is given in the notice convening the 26th Annual General Meeting.

The Company has received declaration from all the Independent Directors of the Company confirming that they meet the criteria of independence as prescribed both under Section 149(6) of the Companies Act, 2013 and Regulation 16(1)(b) of the Listing Regulations.

ANNUAL PERFORMANCE EVALUATION BY THE BOARD:

Pursuant to the provisions of the Companies Act, 2013, a formal annual evaluation needs to be made by the Board of its own performance and that of its Committees and individual directors. Schedule IV of the Companies Act, 2013 states that the performance evaluation of the independent directors shall be done by the entire Board of Directors, excluding the director being evaluated. The Board works with the Nomination and Remuneration Committee to lay down the evaluation criteria.

The Board has carried out an evaluation of its own performance, the directors individually as well as the evaluation of the working of its Audit Committee, Nomination and Remuneration Committee and Stakeholders' Relationship Committee of the Company. The Board has devised questionnaire to evaluate the performance of each of Executive, Non-Executive and Independent Directors. Such questions are prepared considering the business of the Company and the expectations that the Board have from each of the Directors. The evaluation

framework for assessing the performance of Directors comprises of the following areas:

1. Attendance at Board Meetings and Committee Meetings;
2. Quality of contribution to Board deliberations;
3. Strategic perspectives or inputs regarding future growth of Company and its performance;
4. Providing perspectives and feedback going beyond information provided by the Management.

MEETINGS OF THE BOARD:

The Board meets at regular intervals to discuss and decide on company/business policy and strategy apart from Board business. A tentative annual calendar of the Board and Committee Meetings is informed to the Directors in advance to facilitate them to plan their schedule and to ensure meaningful participation in the meetings. However, in case of a special and urgent business need, the Board's approval is taken by passing resolutions through circulation, as permitted by law, which are confirmed in the subsequent meeting of the Board of Directors.

The notice of meeting of the Board of Directors and Committee is given in advance to all the Directors of the Company. Usually, meetings of the Board are held in the registered office of the Company. The agenda of the Board/Committee meetings is circulated 7 days prior to the date of the meeting. The agenda for the Board and Committee includes detailed notes on the items to be discussed at the meeting to enable the Directors to take an informed decision.

During the year under review the Board of Directors met 07 (seven) times, the details of which are given in the Report on Corporate Governance. The intervening gap between two consecutive meetings was within the period prescribed under the Companies Act, 2013.

DIRECTOR'S RESPONSIBILITY STATEMENT:

Pursuant to the provisions of section 134(3) of the Companies Act, 2013, the Board of Directors state that:

- A. In the preparation of the annual accounts, the applicable accounting standard have been followed along with proper explanation relating to material departures; if any
- B. They have selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year 31st March, 2017 and of the profit of the Company for that period;
- C. They have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- D. They have prepared the annual accounts on a going concern basis;
- E. They have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively; and;

F. They have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

INDEPENDENT DIRECTORS DECLARATION

The Independent Directors have confirmed and declared that they are not disqualified to act as an Independent Director in compliance with the provisions of Section 149 of the Companies Act, 2013 and confirmed that they fulfill all the conditions specified in the Companies Act, 2013 making them eligible to act as Independent Directors.

STATUTORY AUDITORS:

M/s. SVK & Associates, Chartered Accountant, Rajkot (Firm Registration No. 118564W) be and hereby are appointed as Statutory Auditors of the Company to hold office upto the conclusion of 26th Annual General Meeting until the conclusion of next Annual General Meeting. The said appointment is required to be rectified by the members at the ensuing 26th annual General Meeting.

The Statutory Auditors have confirmed their eligibility pursuant to Section 139 of the Companies Act, 2013.

The statutory Audit Report does not contain any qualification, adverse remark or disclaimer made by the Statutory Auditor.

SECRETARIAL AUDIT:

Pursuant to provisions of Section 204 of the Companies Act, 2013 read with Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, your Company engaged the service of M/s. K. P. Ghelani & Associates, to conduct the Secretarial Audit of the Company for the financial year ended 31st March 2017. The Secretarial Audit Report is attached as "**Annexure-VII**" and forms part of this Report.

There are no qualifications or observations or remarks made by the Secretarial Auditor in their Report.

INTERNAL AUDIT:

An Internal Audit was conducted during the year by the Internal Auditor Mr. Mayur Raiyani, Chartered Accountant, appointed as Internal Auditor for the year 2016-17.

PUBLIC DEPOSIT:

During the year under review, the Company has not accepted any deposits within of Section 73 and 76 of the Companies Act, 2013 read with Companies (Acceptance of Deposits) Rules, 2014.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS:

The details of loans, guarantees or investment made by the Company under the provisions of Section 186 of the Companies Act, 2013 are provided in the Notes on financial statements.

AUDIT COMMITTEE

The Company constituted audit Committee as required under Section 177 of the Companies Act, 2013 and Regulation 18 of the Securities and Exchange Board of India (Listing Obligations and Disclosures Requirements) Regulations, 2015. Composition of Audit Committee is given in Corporate Governance Report. There is no

such instance during the year under review where the Board had not accepted any recommendation of Audit of the Audit Committee.

NOMINATION AND REMUNERATION COMMITTEE

The Company constituted audit Committee as required under Section 178 of the Companies Act, 2013 and Regulation 18 of the Securities and Exchange Board of India (Listing Obligations and Disclosures Requirements) Regulations, 2015. Composition of Audit Committee is given Corporate Governance Report.

SHAREHOLDER'/INVESTORS RELATIONSHIP COMMITTEE

The Company constituted audit Committee as required under Section 178 of the Companies Act, 2013 and Regulation 18 of the Securities and Exchange Board of India (Listing Obligations and Disclosures Requirements) Regulations, 2015. Composition of Audit Committee is given Corporate Governance Report.

PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES:

All the related party transactions were in the ordinary course of business and are reported in the notes to the financial statements.

The particulars of contract or arrangements with related parties referred to in Section 188(1) as prescribed in FORM AOC-2 of the Rule (8) of the Companies (Account) Rules, 2014 is appended as "**Annexure-IV**".

In accordance with the provisions of Regulations 23 of Listing Regulations the Company have formulated the Related Party Transaction Policy.

PREVENTION OF INSIDER TRADING

The Company has adopted a code of conduct for prevention of Insider Trading with a view to regulate trading in securities by the directors and designated employees of the company. The code requires pre-clearance for dealing in the Company's shares and prohibits the purchase or sale of company shares by the directors and the designated employees while in possession of unpublished price sensitive information in relation to the Company and during the period when the Trading Window is closed. The Board is responsible for implementation of the code. All board of directors and the designated employees have confirmed compliance with the code.

INTERNAL FINANCIAL CONTROL:

The Board has adopted the policies and procedures for ensuring the orderly and efficient conduct of its business, including adherence to Company Policies, safeguarding of assets, prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and timely preparation of reliable financial disclosures.

The Audit Committee evaluates the efficiency and adequacy of financial control system on the Company, its compliance with operating systems, accounting procedures at all locations of the Company and strives to maintain the Standard in Internal Financial Control.

EXTRACT OF ANNUAL RETURN:

An extract of Annual Return in Form MGT 9 is appended to this Report as "**Annexure VIII**".

CORPORATE SOCIAL RESPONSIBILITY INITIATIVE:

The Company is not covered under the Criteria as mentioned in Section 135 of the Companies Act, 2013 which specifies the requirement of constituting the Corporate Social Responsibility Committee.

WHISTLE BLOWER POLICY/VIGIL MECHANISM:

The Company has adopted Vigil Mechanism / Whistle Blower Policy as per the provisions of the Section 177 of the Companies Act, 2013 and Regulation 22 of the Listing Regulations to deal with instance of fraud and to provide adequate safeguards against victimization of directors or employees or any other person who avail of the mechanism and it provides for direct access to the Chairman of the Audit Committee in exceptional cases. The details of the Vigil Mechanism is explained in the Report on Corporate Governance and also posted on the website of the Company.

PARTICULARS OF REMUNERATION AND RELATED DISCLOSURES:

Disclosure pursuant to the provision of Section 197(12) of the Companies Act, 2013 read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, are appended to this report as "**Annexure-V**".

SUBSIDIARIES, ASSOCIATE AND JOINT VENTURE COMPANIES:

The Company does not have any subsidiary, Associates or Joint Venture Companies and hence preparation of Consolidated Financial Statements and Statement containing salient features of subsidiary in AOC-1 as per the provisions of Section 129 of the Companies Act, 2013 is not applicable to the Company.

POLICIES:

In accordance with the requirements of the Companies Act, 2013, the Listing Agreement and SEBI (LODR) Regulations, 2015, the Board of Directors of the Company has framed the required policies and the policies where mandated, are uploaded on the Company's website.

REMUNERATION POLICY:

Pursuant to the provision of Section 178 of the Companies Act, 2013 and Regulation 19 of the Listing Regulations and no recommendation of Nomination and Remuneration Committee, the Board of Directors have adopted policy for selection and appointment of Directors, Senior Management and their remuneration. The Remuneration Policy is stated in the Report on Corporate Governance.

RISKS AND AREAS OF CONCERN:

The Company has laid down a well-defined Risk Management Policy covering the risk mapping, trend analysis, risk exposure, potential impact and risk mitigation process. A detailed exercise is being carried out to identify, evaluate, manage and monitoring of both business and non-business risk. The Board periodically reviews the risks and suggests steps to be taken to control and mitigate the same through a properly defined framework.

DETAILS OF SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS IMPACTING THE GOING CONCERN STATUS AND COMPANY'S OPERATIONS IN FUTURE:

There was no order passed by any regulator or court or tribunal, which impacts the going concern status of the Company or will have bearing on company's operations in future.

INFORMATION UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013:

The Company has constituted as Internal Complaint Committee as required under section 4 of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. During the financial year, no complaint was filed before the said Committee.

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

Pursuant to the provisions of Section 134(3)(m) of the Companies Act, 2013, read with Rule 8 of the Companies (Accounts) Rules, 2014 details regarding Conservation of Energy, Technology absorption, Foreign exchange earnings and outgo is given as in "Annexure-VI".

CORPORATE GOVERNANCE:

The Company has vigorously striven to follow the best corporate governance practices aimed at building trust among the key stakeholders, shareholders, employees, customers, suppliers and other stakeholders on four key elements of corporate governance – transparency, fairness, disclosure and accountability. As per Securities and Exchange Board of India (Listing Obligations and Disclosures Requirements) Regulations, 2015, a separate section on Corporate Governance practices followed by the Company, together with certificate from company's Auditors conforming compliance forms part of this Report.

MANAGEMENT DISCUSSION AND ANALYSIS AND BUSINESS RESPONSIBILITY REPORT

As per Regulation 34 of the Securities and Exchange Board of India (Listing Obligations and Disclosures Requirements) Regulations, 2015, Management Discussion and Analysis and Business Responsibility Report are prescribed in separate Sections forming part of this Annual Report.

ACKNOWLEDGEMENT:

The Directors express their appreciation for the sincere co-operation and assistance of Central and state Government authorities, bankers, customers and suppliers and business associates. Your Directors also wish to place on record their deep sense of appreciation for the committed services by your Company's employees. Your Directors acknowledge with gratitude the encouragement and support extended by our valued shareholders.

For and on behalf of the Board of Directors

Place: Shapar (Veraval)

Date: September 02, 2017

Dilipkumar Changela
Chairman & Managing Director
DIN: 00247302

Management Discussion and Analysis

Annexure I - To The Directors' Report

INDUSTRIAL REVIEW:

The Indian auto-components industry can be broadly classified into the organised and unorganised sectors. The organised sector caters to the Original Equipment Manufacturers (OEMs) and consists of high-value precision instruments while the unorganised sector comprises low-valued products and caters mostly to the aftermarket category. Over the last decade, the automotive components industry has scaled three lines to US\$ 39 billion in last year, while exports have grown even faster to US\$ 10.8 billion. This has been driven by strong growth in the domestic market and increasing globalization (including exports) of several Indian suppliers.

The Indian Auto Components industry is expected to grow by 8-10 percent FY 2017-2018, based on higher localization by Original Equipment Manufacturers (OEMs), higher component content per vehicle, and rising exports from India.

While OE demand has been impacted in the immediate term due to de-monetization, its impact on auto ancillary segment from last few weeks, given the pipeline inventory. However, as automotive demand reverts back to a steady state over the next two-three months with expected improvement in liquidity, impact of this blip is expected to be mitigated considerably.

We have over 25 years of experience of operating in India. We supply our finished Bearing rollers and products across India to reputed bearing manufactures and OEMs in domestic market for end users in diverse industries such as rail, light vehicles, off-highway, heavy trucks, industries classified as automobile industries', and heavy industries, industrial processes, gear drives, energy and industrial distribution, as segments within the process industries' and also export our products to customers based outside India for end users in diverse industries. We are also exporter of cylindrical roller which cater the requirements of international customers in Germany, Hungary, Turkey etc. in diverse industries such as, automotive and Hydraulics.

We believe that we have long-term and stable relationships developed over the years with our key suppliers of raw materials and our key customers although we do not have formal contracts. Our key suppliers are ASCOINDUSTRIESSAS France, Dongbu Special Steel Co. Limited and Overseas Alloy Steel etc. Our major customers include NRB Bearings Limited, SKF India Limited, Turbo Bearings Private Limited, Texspin Bearings Limited, NRB Industrial Bearing Limited, TIMKEN, National Engineering Industries Limited, Turbo Industries, INAPEX Pvt Ltd., etc.

As of March 31, 2017, our work force consisted of approximately 170 full time employees. We adhere to international best practices standards and are committed in developing products and services where quality assurance is systematic process of checking to see whether a product or service being developed is meeting specified requirements. We have a separate department devoted to quality

assurance with highly equipped standard room carrying all measuring equipment with latest technology.

INDUSTRY STRUCTURE AND DEVELOPMENT:

The Auto Ancillary segment has established itself with global level of technology and capabilities. The demand for products will continue to grow with enhanced volumes of the vehicle industry and our company can look towards its growth. Quality, delivery and competitive pricing are to conform to International Standards.

OUR PRODUCTS & PRODUCT RANGE

We manufacture a wide range of Taper Rollers, Cylindrical Rollers and Spherical Rollers as under:

- Taper bearing roller
- Cylindrical bearing roller
- Spherical bearing roller

OUR STRENGTHS

- 1) One of the key players of Finished cylindrical and taper roller manufacturers in India
- 2) Wide and Stable customer base
- 3) Well Experienced Organization
- 4) Wide Product Range
- 5) Quality products

OUR BUSINESS STRATEGY

- 1) To enhance market share by expanding our business with more OEM"s and expanding our export business
- 2) To continue expanding our business by including new customized products and services
- 3) Innovations in our products
- 4) Optimal Utilization of Resources

PRODUCT PORTFOLIO

The bearing makes many of the machines we use every day possible. Without bearings, we would be constantly replacing parts that wore out from friction. Bearings reduce friction by providing smooth metal rollers, and a smooth inner and outer metal surface for the balls to roll against. These rollers which is known as a heart of bearings "bear" the load, allowing the device to spin smoothly. Taper roller bearings help in absorption of both radial and axial load combinations. For this reason, taper roller bearings are preferred solutions for reducing friction in applications such as wheels, gear boxes and power transmitting shafts. Our products are used by reputed bearing manufacturers and OEMs and then it is used by end-users in diverse industries such as rail, light vehicles, off-highway, heavy trucks and auto-aftermarket, industries classified as automobile industries and heavy industries, industrial processes, gear drives, energy and industrial distribution, as segments within the process industries.

COMPETITION

Our Industry is fragmented consisting of large established players and small niche players. We compete with organized as well as unorganized sector on the basis of availability of product, product quality and product range. Further, there are no entry barriers in this industry and any expansion in capacity of existing manufacturers would further intensify competition. Industry is very competitive and we expect competition to continue and likely to increase in the future.

FUTURISTIC OUTLOOK:

The Government of India's Automotive Mission Plan (AMP) 2006-2016 has come a long way in ensuring growth for the sector. It is expected that this sector's contribution to the GDP will reach US\$ 145 billion in FY 2017-2018 due to the government's special focus on exports of small cars, multi-utility vehicles (MUVs), two and three-wheelers and auto components. Separately, the deregulation of FDI in this sector has also helped foreign companies to make large investments in India. The Government of India's Automotive Mission Plan (AMP) 2016-2026 envisages creation of an additional 50 million jobs along with an ambitious target of increasing the value of the output of the sector upto Rs 1,889,000 crore (US\$ 282.65 billion). New product development along with inclusion of segments (also an opportunity) of industry thus for not using products augurs well for volume increase.

OPPORTUNITIES & THREATS:

The increase in new generation of vehicle which should conform to stringent emission norms call for manufacture of Bearings with matching characteristics. Your Company is positioned to meet the opportunities.

At the same time, increase in electricity charges all of a sudden, volatility in the prices of raw materials & other inputs, currency fluctuations, stiff competition by the entry of multinationals and their home county partnership and just in time supplies are the major risks and challenges faced by the Companies. It is forcing companies to plan operation more effectively and produce quality components at low costs.

FINANCIAL PERFORMANCE:

The prudent management of funds coupled with treasury operations backed by planned capital expenditure contributing to reduction in manufacturing cost of the product is expected to support better performance in the current year.

INTERNAL FINANCIAL CONTROL SYSTEM:

The Company has an adequate Internal Audit System that promotes reliable financial reporting, safeguards assets, encourages adherence to fair management and ethical conduct. The Internal Control Systems have been designed in a way that, they not only prevent fraud and misuse of the Company's resources but also protect shareholder's interest. The Audit Committee of Board of Directors, on regular intervals and in co-ordination with Internal and Statutory Auditors, reviews the adequacy of Internal Control Systems within the Company.

Based upon the recommendations of the Audit Committee, an Annual Audit is prepared and is reviewed periodically by the top management and the Audit Committee. The internal audit focuses on compliance as well as on robustness of various business processes. A feedback on non-conformities along with recommendation for process improvements is directly provided to the top management of the Company. Compliance on audit findings and tracking of process improvements is regularly carried out.

DEVELOPMENT IN HUMAN RESOURCES:

The Company strives to develop the most superior workforce so that it can accomplish along with the individual employees, their work goals and services to its customers & stakeholders. Our fundamental belief in immense power of human potential and team work is epitomized in our 'WE' approach. To us 'WE' represents a strong collective energy. A transformational force that stimulates enterprise accelerates our constant pursuit of excellence and empowers our people to realise their full potential. The Company also believes human resources as the supporting pillars for the organization's success. As on 31st March 2017 the company had 170 employees.

INSURANCE

Our Company's operations are subject to hazards inherent in providing engineering and construction services, such as risk of equipment failure, land mine blasts and other work accidents, fire, earthquake, flood and other force major events, acts of terrorism and explosions including hazards that may cause injury and loss of life, destruction of property and equipment and environmental damage. We obtain specialized insurance for construction risks, third party liabilities for projects, as required and specified by our clients, for the duration of the project and the defect liability period. We maintain comprehensive insurance covering our assets and operations.

AWARDS AND RECOGNITION

Our manufacturing facility at SHAPAR Rajkot, Gujarat is BS OHSAS 18001:2007, ISO 14001: 2004, ISO 9001:2008 and ISO/TS 16949 certified, besides being recognised by URS Certification for meeting their quality assurance requirements. Further, we have, in the past been awarded for our operations including a special award by identifying us as – Direct Online Supplier for cold headed Components-Rollers by National Engineering Industries Limited, Jaipur (NBC Bearings Limited), a CK Birla Group Company where our products go directly for manufacturing of bearings without checking quality and specification.

DEVELOPMENT AND UP-GRADATION OF TECHNOLOGY:

All the staff members working in manufacturing departments have been advised to take different projects to:

1. Reduce rejection and wastage in Raw materials and consumables;
2. To reduce setting time and to focus on production;
3. To optimize production activities to reduce electrical energy per unit of production;

4. To work on packing to enhance preservation and safety;
5. To develop new items in shortest possible time to have early business.

This is ongoing process and projects are getting completed one by one and new projects are being undertaken. This has given increase in top as well as bottom line.

FORWARD LOOKING STATEMENTS:

Certain statements in the Management Discussion and Analysis Report describing the Company's objectives, projections, estimates, expectations or predictions may be "forward-looking statements" within the meaning of applicable securities laws and regulations. Actual results could differ from these expressed or implied therein. Important factors that could make a difference include raw material availability and prices thereof, cyclical demand and pricing in the Company's principal markets, changes in Government regulations and tax regime, economic developments within India and the countries in which the Company conducts business and other incidental factors.

The Company assumes no responsibility in respect of forward looking statements herein which may undergo changes in future on the basis of subsequent developments, information or events.

Report on Corporate Governance

Annexure II - To The Directors' Report

(Pursuant to Schedule V(c) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (SEBI (LODR) Regulations, 2015)

1. CORPORATE GOVERNANCE

1.1 Company's philosophy on Corporate Governance:

At Vishal Bearings, Corporate Governance has been an integral part of the way we have been doing our business since inception. We believe that good Corporate Governance emerges from the application of the best and sound management practices and compliance with the laws coupled with adherence to the highest standards of transparency and business ethics. Corporate Governance continues to be a strong focus area for the Company. Our philosophy on Corporate Governance emanates from resolute commitment to protect stakeholder rights and interests, proactively manage risks and create long-term wealth and value. It permeates in all aspects of working-workplace management, market place responsibility, community engagement and business decision.

The Company believes that corporate governance is an integral means for the existence of the Company. It ensures adherence to the moral and ethical values, legal and regulatory framework and the adoption of good practices beyond the realms of law.

The Company places great emphasis on values such as empowerment, integrity and safety of its employees and communities surrounding our plants, transparency in decision making process, fair and ethical dealings with all, pollution free clean environment and last but not the least, accountability to all the stakeholders. These practices being followed since inception have contributed to the Company's sustained growth.

1.2 The Governance Structure:

Vishal Bearings governance structure follows the principles of freedom to the executive management within a given framework to ensure that the powers vested in the executive management are exercised with due care and responsibility so as to meet the expectation of all the stakeholders. In line with these principles, the Company has formed three tiers of Corporate Governance structure, viz.:

- (i) The Board of Directors: The primary role of the Board is to protect the interest and enhance value for all the stakeholders. It conducts overall strategic supervision and control by setting the goals and targets, policies, reporting mechanism and accountability and decision-making process to be followed.

- (ii) Committees of Directors: The various Committees namely, Audit Committee, Stakeholders Relationship Committee, Nomination and Remuneration Committee and Social Responsibility Committee are focused on financial reporting, audit and internal controls, compliance issues, appointment and remuneration of Directors and Senior Management Employees, Implementation and monitoring of CSR activities and the risk management framework.
- (iii) Executive Management: The entire business including the support services are managed with specifically defined responsibility and authorities at different levels.

2. BOARD OF DIRECTORS

2.1 Composition:

The Company has a very balanced and diverse Board of Directors, who are experienced, competent and highly renowned persons from the fields of manufacturing, finance, taxation, economics, law, governance, etc. The Board of Directors has been vested with requisite powers, authorities and duties. The Board plays an imperative role in the management, strategic directions and performance of the Company.

They take active part at the Board and Committee Meetings by providing valuable guidance to the Management on various aspects of business, policy direction, governance, compliance, etc. and play critical role on strategic issues, which enhances the transparency and add value in the decision-making process of the Board of Directors.

The composition of the Board also complies with the provisions of the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred as 'Listing Regulations'). As on financial year ended March 31, 2017, the total Board strength comprises of the following:

DIN	Name	Category
00247292	HIRALAL GORDHANDAS CHANGELA	Whole Time Director
00247295	VRAJLAL GORDHANDASCHANGELA	Whole Time Director
00247302	DILIPKUMARGORDHANDAS CHANGELA	Managing Director
01854443	NITESHKUMAR JAMNADAS PATEL	Independent Director
07191068	URJA BHUPENDRABHAI GHETIYA	Independent Director

07191075	RAKESH KANJIBHAI SAVANI	Independent Director
AEZPC7438P	CHANGELA VISHAL VRAJLAL	CFO
CKGPS9479D	DIMPI KISHORBHAI SAMPAT	CS

Directors are appointed or re-appointed with the approval of the shareholders and shall remain in office as per their terms of appointment.

2.2 Profiles of Directors:

All the Directors are professionals with erudition and experience in their respective areas and fields and Corporate Management Practices. The brief profile of the Directors as on March 31, 2017 is given below:

1. **Mr. Dilipkumar Changela**, (DIN: 00247302) aged 52 years, is the Chairman & Managing Director of our Company with more than 20 years of experience in the bearing Roller industry. He is an intermediate passed. He is responsible for the development and implementation of Company's growth strategy and expansion in India and overseas. His leadership abilities have been instrumental in growth and development of our Company.
2. **Mr. Hiralal Changela**, (DIN: 00247292) aged 65 years, is the founder Promoter of our Company and a Whole Time Director of our Company and with more than 20 years of experience in the Roller bearing industry. He is a Bachelor of Commerce. He is providing his learned guidance and mentoring the senior management of our Company to execute and implement future growth strategy.
3. **Mr. Vrajlal Changela**, (DIN: 00247295) aged 62 years, is the Whole Time Director of our Company with more than 20 years of experience in rollerbearing industry. He is a Bachelor of Arts. He is responsible for looking after the business administration and is instrumental for growth of our Company.
4. **Mr. Rakesh Savani**, (DIN: 07191075) aged 32 years, is the Non-Executive Independent Director of our Company with overall 5 years of experience in the field of accounting, audit and taxation. He is a Chartered Accountant.
5. **Mr. Niteshkumar Patel**, (DIN: 01854443) aged 45 years, is the Non-Executive Independent Director of our Company. He is a Bachelor of Science. He is having experience of 15 years in the field of business.
6. **Ms. Urja Ghetiya**, (DIN: 07191068) aged 25 years, is the Non-Executive Independent Director of our Company with 5 years of experience in the field of accounting. She is a Chartered Accountant.

2.3 Meetings, agenda and proceedings etc. of the Meeting of Board of Directors:

The Board generally meets 4 times during the year. Additional meetings are held when necessary. The Directors are also given an option of attending the board meeting through video conferencing, whenever they request for the same. During the year under review, the Board of Directors met 7 (seven) times on May 26, 2016, May 30, 2016, August 01, 2016, October 15, 2016, November 14, 2016, December 20, 2016 and January 09, 2017. The previous Annual General Meeting ('AGM') of the Company was held on August 24, 2016. The attendance record of the Directors at the Board Meetings and at previous AGM is as under:

Name	Board Meetings held/attended	Whether attended previous AGM held on August 25, 2016
DILIPKUMARGORDHANDASCHANGELA	7/7	Yes
HIRALAL GORDHANDASCHANGELA	7/7	Yes
VRAJLALGORDHANDASCHANGELA	7/7	Yes
NITESHKUMARJAMNADAS PATEL	7/7	Yes
URJA BHUPENDRABHAIGHETIYA	7/7	Yes
RAKESH KANJIBHAISAVANI	7/7	Yes

1. The Directorship held by Directors as mentioned above do not include Alternate Directorships and Directorships in Foreign Companies, Section 8 Companies and Private Limited Companies.
2. Membership/Chairmanship in Audit Committee and Stakeholder's Relationship Committee are considered.
3. None of the Independent Director, serves as an Independent Director in more than 7 (seven) listed Companies nor is a member in more than 10 (Ten) committees or act as Chairman of more than 5 (Five) committees.

Separate Meeting of Independent Directors:

As stipulated by the Code of Independent Directors under Schedule IV of the Companies Act, 2013 and Regulation 25 of the Listing Regulations, a separate meeting of the Independent Directors of the Company was held on March 30, 2017 to review the performance of Non-Independent Directors (including the Chairman) and the Board as whole and the flow of information from and to the Board/Management.

Director's Familiarization programme:

The Company undertakes and makes necessary provision for an appropriate induction programme of new Directors and ongoing training for existing Directors. The new directors are introduced to the Company's culture, through appropriate training programme. Such kind of training programme helps to develop relationship of the Directors with the Company and familiarize them with Company processes. The management provides such information and training either at the meeting of Board of Directors or otherwise.

The induction process is designed to:

- Build an understanding of the Company processes and
- Fully equip Directors to perform their role on the Board effectively

Upon appointment, Directors receive a Letter of Appointment setting out in details, the terms of appointment, duties, responsibilities and expected time commitments.

Agenda

All the meetings are conducted as per well designed and structured agenda complying with the provisions of Secretarial Standard-1 on "Meetings of the Directors", issued by the Institute of Company Secretaries of India. All the agenda items are backed by necessary supporting information and documents (except for the critical price sensitive information, which is circulated in the meeting) to enable the Board to take informed decisions. Agenda also includes minutes of the meetings of the Board and its Committees for the information of the Board. Agenda papers are circulated seven days prior to the Board Meeting. In case of any business exigencies meetings are called and convened at shorter notice or the resolutions are passed by circulation and later placed in the ensuing Board Meeting.

Code of Conduct:

The Board of Directors has laid down a code of conduct for Business and Ethics ('the Code') for all the Board members and all the employees in the management grade of the Company. The Code covers Company's commitment to honest and ethical personal conduct, fair competition, corporate social responsibility, sustainable environment, health and safety, transparency and compliance of laws and regulations etc. All the Board members and senior management personnel have confirmed compliance with the code. A declaration by Mr. Dilipkumar Changela, Managing Director of the Company affirming the compliance of the same in respect of the financial year ended on March 31, 2017 by the members of the Board and senior management Personnel, as applicable to them, is also annexed to this Annual Report.

As per SEBI (Prohibition of Insider Trading) Regulations, 2015, the Company has adopted a code of Conduct for Prevention of Insider Trading. All the Directors, Designated employees who could have access to the unpublished price sensitive information of the Company are governed by this Code. The trading window is closed during the time of declaration of results and occurrence of any material events as per the Code.

Support and role of Company Secretary:

The Company Secretary is responsible for convening the Board and committee meetings, preparation and distribution of Agenda and other documents and recording of the Minutes of the meetings. She acts as interface between the Board and the Management and provides required assistance and assurance to the Board and the Management on compliance and grievance aspects.

3. AUDIT COMMITTEE

Pursuant to the provisions of Section 177 of the Companies Act, 2013 and Regulation 18 of Listing Regulations, the Board of Directors has duly constituted the Audit Committee. Majority of the members of the Committee are Independent Directors including the Chairman of the Committee. They possess sound knowledge on accounts, audit, finance, taxation, internal controls, etc. Ms. Dimpri Sampat, Company Secretary & Compliance Officer of the Company acts as Secretary to the Committee.

The Audit Committee of the Company reviews the reports to be submitted with the Board of Directors with respect to auditing and accounting matters. It also supervises the Company's internal control and financial reporting process.

During the year under review, the Audit Committee met 7 (seven) times on April 04, 2016, May 26, 2016, May 30, 2016, August 01, 2016, November 14, 2016, January 09, 2017 and March 03, 2017. As stipulated, the gap between two committee meetings did not exceed one hundred and twenty days.

3.1 Composition and Attendance:

Name of the Member	Designation	No. of Meetings	
		Held	Attended
Mr. Rakesh Savani	Chairman	7	7
Ms. Urja Ghetiya	Member	7	7
Mr. Vrajlal Changela	Member	7	7

3.2 Terms of reference:

The terms of reference of the Audit Committee are as per the guidelines set out in the Listing Regulations, read with Section 177 of the Companies Act, 2013. These broadly includes (i) Develop an annual plan for Committee (ii) review of financial reporting processes, (iii) review of risk management, internal financial controls and governance processes, (iv) discussions on quarterly, half yearly and annual financial statements, (v) interaction with statutory, internal and cost auditors, (vi) recommendation for appointment, remuneration and terms of appointment of

auditors and (vii) risk management framework concerning the critical operations of the Company.

In addition to the above, the Audit Committee also reviews the following:

- Matter to be included in the Director's Responsibility Statement.
- Changes, if any, in the accounting policies.
- Major accounting estimates and significant adjustments in financial statements.
- Compliance with listing and other legal requirements concerning financial statement.
- Disclosures in financial statement including related party transactions.
- Management's Discussions and Analysis of Company's operations.
- Valuation of undertakings or assets of the Company, wherever it is necessary.
- Periodical review of Internal Audit Reports.
- Findings of any social investigations carried out either by the Internal Auditors.
- Letters of Statutory Auditors to management on internal control weakness, if any.
- Major non-routine transactions recorded in the financial statements involving exercise of judgement by the management.
- Recommend to the Board the appointment, re-appointment and, if required the replacement or removal of statutory auditors considering their independence and effectiveness, and recommend the audit fees.
- Review the functioning of the Vigil mechanism.

4. NOMINATION & REMUNERATION COMMITTEE

The powers, role and terms of reference of the Nomination and Remuneration Committee covers the areas as contemplated under clause 19 of SEBI ((Listing Obligations and Disclosure Requirements) Regulations, 2015 and Section 178 of the Companies Act, 2013 apart from any references made to it by the Board of Directors. During the year ended March 31, 2017, the Committee met 2 (two) times on April 04, 2016 and August 01, 2016, under the Chairmanship of Mr. Rakesh Savani. The performance evaluation for Independent Directors is detailed in the Board's report. Ms. Dimpi Sampat, Company Secretary & Compliance Officer of the Company acts as Secretary to the Committee. The composition of the committee and the attendance of its members are given below:

4.1 Composition and Attendance:

Name of the Member	Designation	No. of Meetings	
		Held	Attended
Mr. Rakesh Savani	Chairman	2	2
Ms. Urja Ghetiya	Member	2	2
Mr. Niteshkumar Patel	Member	2	2

4.2 Composition and Attendance:

The Committee is empowered to

- Formulate criteria for determining qualifications, positive attributes and independence of Directors and evaluating the performance of the Board of Directors.
- Identify and access potential individual with respect to their expertise, skills, attributes, personal and professional standing for appointment and re-appointment as Directors/Independent Directors on the Board and as Key Managerial Personnel.
- Formulate a policy relating to remuneration of the Directors and the Senior Management Employees of the Company.
- Determine terms and conditions for appointment of Independent Directors.

Performance Evaluation Criteria of Independent Director:

Pursuant to the provisions of Section 178 of the Companies Act, 2013 read with Schedule IV to the Act and Regulation 18 of the Listing Regulations and Schedule II to the Listing Regulations, the Nomination and Remuneration Committee has formulated a policy on Board Evaluation and evaluation of individual directors.

The evaluation is based on various factors which are follows:

- Attendance at Board and Committee Meetings
- Level of Participation
- Contribution to the development of strategies and Risk Assessment and Management
- Overall interaction with the other members of the Board

4.3 Remuneration Policy:

The Company follows a policy on remuneration of Directors and Senior Management Employees.

Remuneration of Managing Director and whole time Directors:

- At the time of appointment or re-appointment, the managing director and whole-time directors shall be paid such remuneration may be mutually agreed between the Company and the Managing Director and whole-time directors within the overall limits prescribed under the Companies Act, 2013.
- The remuneration shall be subject to the approval of the Members of the Company in General Meeting.
- The remuneration of the Managing Director and whole-time directors is broadly divided into fixed and variable component.
- The fixed compensation shall comprise salary, allowances, perquisites, amenities and retiral benefits.
- The variable component shall comprise of performance bonus.

In determining the remuneration (including the fixed increment and performance bonus) the Nomination and Remuneration Committee shall consider the following.

1. The relationship of remuneration and performance benchmark is clear;
2. Balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the Company and its goals;
3. Responsibility of the Managing Directors and the industry bench marks and the current trends;

- The Company's performance vis-à-vis the annual budget achievement and individual performance.

Remuneration of Non-Executive Directors:

The Non-Executive Directors shall be entitled to receive remuneration by way of sitting fees, reimbursement of expenses for participation in the Board/Committee Meetings. A Non-Executive Directors shall be entitled to receive sitting fees for each meeting of the Board or Committee of the Board attended by him not exceeding the sum as may be approved by the Board of Directors within the overall limits prescribed under the Companies Act, 2013 read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

The independent Directors of the Company shall not be entitled to participate in Stock Option Scheme of the Company, if any, introduced by the Company.

Remuneration of Senior Management Employees:

In determining the remuneration of the Senior Management Employees (i.e. Key Managerial Personnel and Executive Committee Members), the Nomination and Remuneration Committee shall consider the following:

- The relationship of remuneration and performance benchmark is clear;
- The fixed pay reflecting short and long-term performance objectives appropriate to the working of the Company and its goals;
- The components of remuneration includes salaries, perquisites and retirement benefits;
- The remuneration including annual increment and performance incentive is decided based on the criticality of the roles and responsibilities, the Company's performance vis-à-vis the annual budget achievement, industry benchmark and current compensation trends in the market.

The Managing Director will carry out the individual performance review based on the standard appraisal matrix and after considering the appraisal score card and other factors mentioned hereinabove, recommends the annual increment to the Nomination and Remuneration Committee for its review and approval.

4.4 Details of remuneration and sitting fees paid to the Directors:

Details of remuneration/sitting fees paid during the financial year 2016-2017 are as follows:

(Rs. In Lacs)

Name of Director	Salary	Sitting Fees	Total
Mr. Hiralal Changela	15.00	N.A.	15.00
Mr. Vrajlal Changela	15.00	N.A.	15.00
Mr. Dilipkumar Changela	15.00	N.A.	15.00
Mr. Rakesh Savani	N.A.	0.16	0.16

Ms. Urja Ghetiya	N.A.	0.16	0.16
Mr. Niteshkumar Patel	N.A.	0.16	0.16

Note: The Company has not granted any stock options.

5. STAKEHOLDERS' RELATIONSHIP COMMITTEE

Pursuant to the provision Section 178 of the Companies Act, 2013 and Regulation 20 of the Listing Regulations, the Board of Directors has duly constituted the Stakeholders' Relationship Committee. The purpose of the committee is to assist the Board and the Company in maintaining healthy relationships with all stakeholders. The Committee oversees the mechanisms for redressing grievances and complaints from stakeholders including shareholders, vendors, customers, employees and others.

The committee receives reports from designated personnel for each of the above mechanisms and reviews the unresolved issues on periodical basis. It has the authority to make recommendations to resolve any unresolved issues. The Committee is empowered to oversee the redressal of investor's complaint pertaining to Share transfers, non-receipt of annual reports, transfer/transmission/demat of shares and other miscellaneous complaints. This Committee is responsible for the satisfactory redressal of investors' complaint and recommends measures for overall improvement in the quality of investor services.

During the year under review, the Stakeholders' Relationship Committee met 1 (one) times on August 01, 2016.

5.1 Composition and Attendance:

Name of the Member	Designation	No. of Meetings	
		Held	Attended
Ms. Urja Ghetiya	Chairman	1	1
Mr. Rakesh Savani	Member	1	1
Mr. Dilipkumar Changela	Member	1	1

Ms. Dimpi Sampat, Company Secretary is designated as the "Compliance Officer" who oversees the redressal of the investor's grievances. The details of investor's complaint handled by the Company and its Registrar & Share Transfer Agent.

During the year under review, no compliant/request letters were received from shareholders and others and no complaint was pending and there were no pending share transfers too.

6. VIGIL MECHANISM/WHISTLE BLOWER POLICY

With the rapid expansion of business, various risks associated with the business have also increased considerably. Some such risks identified are the risk of fraud, misconduct and unethical behavior. To ensure fraud-free work and ethical environment, the Company has laid down a Vigil Mechanism, by which the Company provides a platform to all the employees, vendors and customers to report any suspected or confirmed incident of fraud, misconduct, unethical behavior, etc. through any of the reporting to the authorised signatory of the Company.

The mechanism also provides for adequate safeguards against victimization of employees who avail of the mechanism and direct access to the Chairman of the Audit Committee is also available in exceptional cases.

Objectives:

- To protect the brand, reputation and assets of the Company from loss or damage, resulting from suspected or confirmed incidents of frauds/misconduct.
- To provide guidance to the employees, vendors and customers on reporting any suspicious activity and handling critical information and evidence.
- To provide healthy and fraud-free work culture.

The Audit Committee is responsible for reviewing and working of Vigil Mechanism which includes following matters:

- Implementation of the policy and spreading awareness amongst employees;
- Review all reported cases of suspected fraud, misconduct, unethical behavior;
- Order investigation of any case either through internal audit department or through external investigating agencies or experts;
- Recommend to the management for taking appropriate actions such as disciplinary action, termination of service, changes in policies & procedures and review of internal control systems;
- Annual review of the policy.

Audit Committee reports to the Board of Directors.

7. GENERAL BODY MEETINGS

7.1 Annual General Meetings:

The Company convenes Annual General Meeting generally within six months from the close of the Financial year. The details of Annual General Meetings held in last 3 years are as under:

Financial Year	Date	Location
2015-2016	24.08.2016	VISHAL BEARINGS LIMITED Survey No. 22/1, Plot No. 1, Shapar Main Road, Shapar (Veraval), Rajkot – 360 024, Gujarat, INDIA.
2014-2015	09.06.2015	VISHAL BEARINGS LIMITED Survey No. 22/1, Plot No. 1, Shapar Main Road, Shapar (Veraval), Rajkot – 360 024, Gujarat, INDIA.
2014-2013	30.09.2014	VISHAL BEARINGS LIMITED Survey No. 22/1, Plot No. 1, Shapar Main Road, Shapar (Veraval), Rajkot – 360 024, Gujarat, INDIA.

7.2 Details of Special Resolutions Passed in last three Annual General Meetings:

Date of AGM	Description of Special Resolution
24.08.2016	Appointment of Statutory Auditor to Fill Casual Vacancy
09.06.2015	Further Issue of Shares
30.09.2014	--

7.3 Details of Special Resolutions Passed in Extra-Ordinary General Meetings during the year:

Date of AGM	Description of Resolution
14.11.2016	<ul style="list-style-type: none"> To Enhancement of Authorised Share Capital To Alteration of Capital Clause Contained in the Memorandum of Association To Issue of Bonus Shares

8. DISCLOSURES:

8.1 Compliance by the Company:

The Company has complied with the requirements of the Stock Exchange, SEBI and other statutory authorities on all matters relating to capital market during the last three years. The company has complied with all the mandatory requirements of the Listing Regulations.

8.2 Related Party Transactions:

There were no materially significant related party transactions, pecuniary transactions or relationship between the Company and its Directors during the financial year ended March 31, 2017 that may have potential conflict with the interest of the Company at large. The transactions with the Notes to Accounts, forming part of the Annual Report.

8.3 Disclosures of accounting treatment:

In the preparation of financial statements, the Company has followed the Accounting Standard issued by the Institute of Chartered Accountants of India to the extent applicable.

8.4 Risk Management

The Company has laid down procedure to inform Board members about the risk assessment and minimization procedures. The Company has framed the risk assessment and minimization procedure, which is periodically reviewed by the Board.

8.5 CFO Certification

As required under Regulation 17(8) of the Listing Regulations, a certificate from Mr. Dilipkumar Changela, Chairman & Managing Director and Mr. Vishal Changela, Chief Financial Officer of the Company certifying that the financial statements do not contain any materially untrue statement and these statements represent a true and fair view of the Company's affairs, was placed before the board.

8.6 Review of Directors' Responsibility Statement:

The Board in its report has confirmed that the annual accounts for the year ended March 31, 2017 have been prepared as per applicable Accounting Standard and policies and that sufficient care has been taken for maintaining adequate accounting records.

8.7 Means of Communication:

- The quarterly, half-yearly and yearly financial results are available in the company's website www.vishalbearings.com and also uploaded on the website of the BSE Ltd.
- The Company does not display official news releases and no presentation was made to institutional investors or analysts during the previous financial year.
- The Management Discussion and Analysis Report is a part of the Annual Report.

9. GENERAL SHAREHOLDERS' INFORMATION

26 th Annual General Meeting to be held	:	Day:	Friday
	:	Date:	September 29, 2017
	:	Time:	4:00 PM
	:	Venue:	VISHAL BEARINGS LIMITED Registered Office: Survey No. 22/1, Plot No. 1, Shapar Main Road, Shapar (Veraval), Rajkot – 360 024, Gujarat, INDIA.
Financial Year	:	1 st April, 2016 to 31 st March, 2017	
Stock Exchange	:	Bombay Stock Exchange (SME Platform) Phiroze Jeejeebhoy Towers, Dalal Street, Fort, Mumbai – 400 001	
Stock Code	:	ISIN:INE060T01024	
	:	Security Code: 539398	
	:	Security ID:VISHALBL	
Book Closure	:	The Register of Members and the Share Transfer Books of the Company shall remain closed from Sunday, September 24, 2017 to Friday, September 29, 2017. (both days inclusive)	
Corporate Identify Number (CIN)	:	L29130GJ1991PLC016005	
Listing fees	:	The Company has paid listing fees upto March 31, 2017 to BSE Limited where Company's shares are listed.	

10. OTHER INFORMATION

10.1 Share Transfer Agent:

M/s. Karvy Computershare Private Limited, as the Registrar and Share Transfer Agent (RTA) of Vishal Bearings Limited, handle all share transfers and related

processes. They provide the entire range of services to the Shareholders of the Company relating to share transfers, change of address or mandate and dividend. The electronic connectivity with both the depositories – NSDL and CDSL is also handled by Karvy.

10.2 BSE Corporate compliance & listing centre (the ‘Listing centre’)

BSE’s Listing Centre is a web-based application designed for corporates. All periodical compliance filings like shareholding pattern, corporate governance report, among others are also filed electronically on the Listing Centre.

10.3 SEBI complaints redress system (SCORES)

The investor complaints are proceeds in a centralized web-based complaints redress system. The salient features of this system are Centralized database of all complaints, online upload of Action Taken Report (ATRs) by concerned companies and online viewing by investors of actions taken on the complaint and its status.

10.4 Reconciliation of Share Capital Audit:

As stipulated by Securities and Exchange Board of India (SEBI), a qualified Company Secretary carries out the Share Capital Audit to reconcile the total admitted capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and the total issued and listed capital.

This audit is carried out every quarter and the report thereon is submitted to stock exchanges and is also placed before the Board of Directors. No discrepancies were noticed during these audits.

10.5 Shareholding Pattern as on March 31, 2017:

Sr. No.	Category	Total No. of Shares held	% of Total Shareholdings
1	Resident Individuals	2,064,900	34.443703
2	Promoters & Directors	1,942,500	32.402002
3	Promoter Group	1,465,100	24.438699
4	Promoters	203,000	3.386155
5	Bodies Corporates	213,000	3.552961
6	HUF	99,000	1.651376
7	Non-Resident Indian Non Repatriable	7,500	0.125104
	Total	5,995,000	100.00

10.6 Distribution of Shareholding:

Shareholding by nominal value	No. of Shareholders	% of Total	Total Shares	Share Amount (₹.)	% of Total
10001-20000	6	4.511278	9,000	90,000	0.150125
50001-100000	75	56.390977	555,000	5,550,000	9.257715
100001 & Above	52	39.097744	5,431,000	54,310,000	90.592160
Total	133	100.00	5,995,000	59,950,000	100.00

10.7 Distribution of Shareholding:

Category	No. of Shareholders	Total Shares	% to Equity
NSDL	60	3,919,600	65.381151
CDSL	73	2,075,400	34.618849
Total	133	5,995,000	100.00

10.8 Market Price Data

Month-Year	BSE Sensex		Vishal Bearings Limited	
	High (₹.)	Low (₹.)	High (₹.)	Low (₹.)
Apr-16	26100.54	24523.20	29.10	28.00
May-16	26837.20	25057.93	30.00	27.00
Jun-16	27105.41	25911.33	29.00	29.00
Jul-16	28240.20	27034.14	29.00	29.00
Aug-16	28532.25	27627.97	29.00	29.00
Sep-16	29077.28	27716.78	28.00	26.50
Oct-16	28477.65	27488.30	37.00	28.00
Nov-16	28029.80	25717.93	35.00	29.25
Dec-16	26803.76	25753.74	30.70	27.00
Jan-17	27980.39	26447.06	29.00	27.00
Feb-17	29065.31	27590.10	32.75	27.00
Mar-17	29824.62	28716.21	32.50	30.55

10.9 Dematerialization of Shares

As on March 31, 2017, 100% of the Company's Equity Shares has been held in dematerialized form with NSDL & CDSL.

10.10 Convertible Instruments

The Company has not issued any ADRs/GDRs/Warrants or any convertible instruments during the financial year ended on March 31, 2017.

10.11 Registered Office:

VISHAL BEARINGS LIMITED, Survey No. 22/1, Plot No. 1, Shapar Main Road, Shapar (Veraval), Rajkot – 360 024, Gujarat, INDIA.

10.12 Address for correspondence:

For any assistance regarding the dematerialization of shares, share transfers, transmissions, change of address, non-receipt of dividend or any other query relating to shares, the investor can write to Registrar and Share Transfer Agent (address mentioned above) or please write to:

The Compliance Officer
VISHAL BEARINGS LIMITED,
Survey No. 22/1, Plot No. 1,
Shapar Main Road, Shapar (Veraval),
Rajkot – 360 024, Gujarat, INDIA.

10.13 Auditors' Certificate on Corporate Governance:

The Auditors' Certificate on compliance of conditions of Corporate Governance requirements as per the Listing Regulations is published as an Annexure to the Directors' Report.

DECLARATION REGRADING COMPLIANCE OF CODE OF CONDUCT

This is to confirm that the Company has adopted a Code of Conduct for all Board Members and senior management and the same has been placed on the Company's web site. All Board Members and Senior Management personnel have affirmed compliance with the Code of Conduct in respect of the financial year ended March 31, 2017.

Place: Shapar (Veraval)

Date: September 02, 2017

Dilipkumar Changela
Chairman & Managing Director

Certificate of Compliance with the Corporate Governance

Annexure III - To The Directors' Report

Requirements under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

To
The Members
Vishal Bearings Limited

I have examined the compliance of conditions of Corporate Governance by Vishal Bearings Limited ('the Company'), for the year ended on 31st March, 2017, as stipulated in regulations 17 to 27, clauses (b) to (i) of sub-regulation (2) of regulation 46 and paragraph C, D and E of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") with Stock Exchanges in India.

The compliance of conditions of Corporate Governance is the responsibility of the Management. My examination was limited to a review of procedures and implementation thereof, adopted by the Company for ensuring compliance with the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In my opinion and to the best of my information and according to the explanations given to us, I certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing regulations.

I further state that this certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

FOR K. P. GHELANI & ASSOCIATES
Company Secretaries

Date: September 02, 2017
Place: Rajkot

CS Keyur Ghelani
Proprietor
Mem No. ACS 33400
CoP: 12468

Form No. AOC-2

Annexure IV - To The Directors' Report

(Pursuant to clause (h) of sub-section (3) of section 134 of the Companies Act, 2013 and Rule 8(2) of the Companies (Accounts) Rules, 2014)

Disclosure of particulars of contracts/arrangements entered into by the Company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arms-length transactions under third proviso thereto.

1. Details of contracts or arrangements or transactions not at arm's length basis:

There were no contracts or arrangements or transactions entered during the year ended March 31, 2017 which were not at arm's length basis.

2. Details of contracts or arrangements or transactions at arm's length basis: NIL

Sr. No.	Particulars	Details
1	Name(s) of the related party and nature of relationship	Virdeep Engineering Private Limited – Group Company
2	Nature of contracts/arrangements/transactions	Sales, Transfer or purchase of products, materials, services or other obligations
3	Duration of contracts/arrangements/transactions	Ongoing basis, normal and incidental to Company's business operations
4	Salient terms of the contracts or arrangements or transactions including the value, if any	The information forms part of the notes to financial statement for the year 2016-17
5	Date of approval by Board	26-05-2016
6	Amount paid as advance, if any	Nil

For and on behalf of the Board of Directors

Date: September 02, 2017

Place: Shapar (Veraval)

Dilipkumar Changela
Chairman & Managing Director
DIN: 00247302

Statement of Disclosure of Remuneration

Annexure V - To The Directors' Report

[Pursuant to Section 197 of the Companies Act, 2013 and Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

REQUIREMENTS OF RULE 5(1)	DETAILS	
the ratio of the remuneration of each director to the median remuneration of the employees of the company for the financial year;	Director	During the F.Y. 2016-2017
	Mr. Dilipkumar Changela	1.25
	Mr. Vrajlal Changela	1.25
	Mr. Hiralal Changela	1.25
the percentage increase in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year;	Director	F.Y. 2015-16
	Mr. Dilipkumar Changela	--
	Mr. Vrajlal Changela	--
	Mr. Hiralal Changela	--
	Key Managerial Personnel	
	Mr. Vishal Changela – CFO	--
	Ms. Dimpri Sampat – CS	1.20
* The remuneration paid to Non – Executive Directors which includes sitting fees is to their attendance in Board and Committee Meetings.		
the number of permanent employees on the rolls of company;	170 employees as on 31.03.2017	
the explanation on the relationship between increase in remuneration and company performance;	Increase in remuneration of key managerial personnel for the year 2017 which is partly based on the results of the Company for the year ended 31.03.2017 and partly on the individual performance.	
comparison of the remuneration of the Key Managerial Personnel against the performance of the company;	Increase in remuneration of key managerial personnel for the year 2017 which is partly based on the results of the Company for the year ended 31.03.2017 and partly on the individual performance.	

Variation in the market capitalization of the Company, price earnings ratio as at the closing date of the current financial year and previous financial year:	The market capitalization as on March 31, 2017 was Rs 2613.82 Lacs (Rs 1450.79 Lacs as on March 31, 2016). The price earnings ratio of the Company was 1.35 as at March 31, 2017 and was 0.72 as at March 31, 2016 (based on annualized EPS).
The key parameters for any variable component of remuneration availed by the directors;	All employees including Managing Director and Whole Time Director's not entitlement to incentive. Remuneration which is based on the individual's performance and company's financial performance.
the ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year;	The Managing Director & Whole time directors are the highest paid directors. No employee received remuneration higher than Managing Director & Whole time director.
affirmation that the remuneration is as per the remuneration policy of the company.	Remuneration paid during the year ended March 31, 2017 is as per the Remuneration Policy of the Company.

For and on behalf of the Board of Directors

Date: September 02, 2017

Place: Shapar (Veraval)

Dilipkumar Changela
Chairman & Managing Director
DIN: 00247302

Conservation of Energy, Research & Development, Technology Absorption and Foreign Earning & Outgo

Annexure VI - To The Directors' Report

CONSERVATION OF ENERGY:

The Company continues its efforts to improve methods for energy conservation and utilization by

- (1) More usage of electricity purchased from GEB.
- (2) Intensified vigil on wastage control.

Power Consumption	Year Ended 31.03.2017	Year Ended 31.03.2016
Electric Power	Rs. 22,243,638/-	Rs. 16,666,918/-

CONSUMPTION PER UNIT OF PRODUCTION:

The company manufactures different types of Rollers. Thus power and fuel consumption per unit of production cannot be appropriated separately.

TECHNOLOGY ABSORPTION:

Operations of the company do not involve any kind of special technology and there was no expenditure on research & development during this financial year. However, your company continues to upgrade its technology (computer technology and telecom infrastructure) in ensuring it is connected with its clients across the globe.

FOREIGN EXCHANGE EARNINGS AND OUTGO:

Particulars	2016-2017	2015-2016
Foreign Exchange earned during the year	NIL	NIL
Foreign Exchange outgo during the year	NIL	NIL

Form No. MR – 3

Secretarial Audit Report

Annexure VII - To The Directors' Report

FOR THE FINANCIAL YEAR ENDED 31ST MARCH 2017

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

The Members,

VISHAL BEARINGS LIMITED

CIN: U29130GJ1991PLC016005

Survey No. 22/1, Plot No. 1,

Shapar Main Road,

Shapar (Veraval)

Rajkot – 360 002

Gujarat, INDIA.

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **M/s VISHAL BEARINGS LIMITED** (hereinafter called the company). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the Financial Year ended on 31st March, 2017 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the company for the Financial Year ended on 31st March, 2017 according to the provisions of:

- (i) The Companies Act, 1956 & 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-

- (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
- (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
- (d) The Securities and Exchange Board of India (Share based Employee Benefits) Regulations, 2014;
- (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 – **Not applicable as the company has not issued any debt securities;**
- (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client – **Not applicable as the company is not registered as Registrar to issue and Share Transfer Agent during the financial year under review;**
- (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 – **Not Applicable as the Company has not delisted / proposed to delist its equity shares from any Stock Exchange during the Financial Year under review;**
- (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 – **Not applicable as the Company has not bought back / proposed to buy-back any of its securities during the financial year under review.**

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

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India.
- (ii) The Listing Agreements entered into by the Company with Bombay Stock Exchange.

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

I further report that:

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

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

Majority decision is carried through while the dissenting members' views, if any, are captured and recorded as part of the minutes.

I further report that there are adequate systems and processes in the Company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

I further report that during the audit period there were following specific events / actions having a major bearing on company's affair in pursuance of the above – referred laws, rules, regulations, guidelines, standards, etc;

(i) The Board of Directors at their meeting held on December 20, 2016 allotted Bonus share of 11,99,000 in ratio of 1 New Fully paid up Equity shares of Rs. 10 each for every 4 Equity shares of Rs. 10 each.

**For K. P. GHELANI & ASSOCIATES
Company Secretaries**

Date: September 02, 2017

Place: Rajkot

CS Keyur Ghelani
Proprietor
Mem No. ACS 33400
CoP: 12468

Note: This report is to be read with our letter of even date that is annexed as Annexure I and forms an integral part of this report.

The Members,
VISHAL BEARINGS LIMITED
CIN: U29130GJ1991PLC016005
Survey No. 22/1, Plot No. 1,
Shapar Main Road,
Shapar (Veraval)
Rajkot – 360 002
Gujarat, INDIA.

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

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

For K. P. GHELANI & ASSOCIATES
Company Secretaries

Date: September 02, 2017
Place: Rajkot

CS Keyur Ghelani
Proprietor
Mem No. ACS 33400
CoP: 12468

Form No. MGT – 9

Annexure VIII - To The Directors' Report

EXTRACT OF ANNUAL RETURN

As on financial year ended on 31.03.2017

Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Company (Management & Administration) Rules, 2014.

I. REGISTRATION & OTHER DETAILS:		
1	CIN	L29130GJ1991PLC016005
2	Registration Date	24 July 1991
3	Name of the Company	VISHAL BEARINGS LIMITED
4	Category/Sub-category of the Company	Company limited by shares / Indian Non-Government Company
5	Address of the Registered office & contact details	Survey No. 22/1, Plot No.1, Shapar Main Road, Shapar (Veraval), Rajkot, Gujarat-360002, Tel:+91 2827-252273, Website: www.vishalbearings.com
6	Whether listed company	Yes
7	Name, Address & contact details of the Registrar & Transfer Agent, if any.	Karvy Computershare Private Limited Karvy Selenium Tower B, Plot No.31 & 32, Financial, District, Nanakramguda, Gachibowli, Hyderabad-500032, Telengana, India,

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY			
(All the business activities contributing 10 % or more of the total turnover of the company shall be stated)			
S. No.	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the company
1	All kinds of automobile and engineering bearing parts such as Cons, Tapper, Balls, Rollers and Needles	2814	100

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES					
SN	Name and address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
1	N.A.				
2					
3					

IV. SHARE HOLDING PATTERN

(Equity share capital breakup as percentage of total equity)

(i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year [As on 31-March-2017]				No. of Shares held at the end of the year [As on 31-March-2016]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/ HUF	36,10,600	-	36,10,600	60.23%	28,88,480	-	28,88,480	60.23%	-20.00%
b) Central Govt	-	-	-	0.00%	-	-	-	0.00%	0.00%
c) State Govt(s)	-	-	-	0.00%	-	-	-	0.00%	0.00%
d) Bodies Corp.	-	-	-	0.00%	-	-	-	0.00%	0.00%
e) Banks / FI	-	-	-	0.00%	-	-	-	0.00%	0.00%
f) Any other	-	-	-	0.00%	-	-	-	0.00%	0.00%
Sub Total (A) (1)	36,10,600	-	36,10,600	60.23%	28,88,480	-	28,88,480	60.23%	-20.00%
(2) Foreign									
a) NRI Individuals	-	-	-	0.00%	-	-	-	0.00%	0.00%
b) Other Individuals	-	-	-	0.00%	-	-	-	0.00%	0.00%
c) Bodies Corp.	-	-	-	0.00%	-	-	-	0.00%	0.00%
d) Any other	-	-	-	0.00%	-	-	-	0.00%	0.00%
Sub Total (A) (2)	-	-	-	0.00%	-	-	-	0.00%	0.00%
TOTAL (A)	36,10,600	-	36,10,600	60.23%	28,88,480	-	28,88,480	60.23%	-20.00%
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	-	-	-	0.00%	-	-	-	0.00%	0.00%
b) Banks / FI	-	-	-	0.00%	-	-	-	0.00%	0.00%
c) Central Govt	-	-	-	0.00%	-	-	-	0.00%	0.00%
d) State Govt(s)	-	-	-	0.00%	-	-	-	0.00%	0.00%
e) Venture Capital Funds	-	-	-	0.00%	-	-	-	0.00%	0.00%
f) Insurance Companies	-	-	-	0.00%	-	-	-	0.00%	0.00%
g) FIs	-	-	-	0.00%	-	-	-	0.00%	0.00%
h) Foreign Venture Capital Funds	-	-	-	0.00%	-	-	-	0.00%	0.00%

i) Others (specify)	-	-	-	0.00%	-	-	-	0.00%	0.00%
Sub-total (B)(1):-	-	-	-	0.00%	-	-	-	0.00%	0.00%
2. Non-Institutions									
a) Bodies Corp.									
i) Indian	-	-	-	0.00%	-	-	-	0.00%	0.00%
ii) Overseas	-	-	-	0.00%	-	-	-	0.00%	0.00%
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 2 lakh	8,07,750		8,07,750	13.47%	712840		7,12,840	14.86%	-11.75%
ii) Individual shareholders holding nominal share capital in excess of Rs 2 lakh	13,56,150		13,56,150	22.62%	873180		8,73,180	18.21%	-35.61%
c) Others (specify)	2,20,500		2,20,500	3.68%	321500		3,21,500	6.70%	45.80%
Non-Resident Indians	-	-	-	0.00%	-	-	-	0.00%	0.00%
Overseas Corporate Bodies	-	-	-	0.00%	-	-	-	0.00%	0.00%
Foreign Nationals	-	-	-	0.00%	-	-	-	0.00%	0.00%
Clearing Members	-	-	-	0.00%	-	-	-	0.00%	0.00%
Trusts	-	-	-	0.00%	-	-	-	0.00%	0.00%
Foreign Bodies - D R	-	-	-	0.00%	-	-	-	0.00%	0.00%
Sub-total (B)(2):-	23,84,400	-	23,84,400	39.77%	19,07,520	-	19,07,520	39.77%	-20.00%
Total Public (B)	23,84,400	-	23,84,400	39.77%	19,07,520	-	19,07,520	39.77%	-20.00%
C. Shares held by Custodian for GDRs & ADRs	-	-	-	0.00%	-	-	-	0.00%	0.00%
Grand Total (A+B+C)	59,95,000	-	59,95,000	100.00%	47,96,000	-	47,96,000	100.00%	-40.00%

(ii) Shareholding of Promoter

SN	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged/ encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	Mr. Hiralal G. Changela	5,18,000	8.64%	--	6,47,500	13.50%	--	25.00%
2	Mr. Dilipkumar G. Changela	5,18,000	8.64%	--	6,47,500	13.50%	--	25.00%
3	Mr. Vrajlal G. Changela	5,18,000	8.64%	--	6,47,500	13.50%	--	25.00%

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

SN	Particulars	Date	Reason	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No. of shares	% of total shares	No. of shares	% of total shares
Mr. Hiralal G. Changela							
	At the beginning of the year	01.04.2016		5,18,000	10.80%		0.00%
	Changes during the year		Bonus	1,29,500	2.16%	6,47,500	10.80%
	At the end of the year	31.03.2017		6,47,500	10.80%		0.00%
Mr. Dilipkumar G. Changela							
	At the beginning of the year	01.04.2016		5,18,000	10.80%		0.00%
	Changes during the year		Bonus	1,29,500 +	2.16%	6,47,500	10.80%
	At the end of the year	31.03.2017		6,47,500	10.80%		0.00%
Mr. Vrajlal G. Changela							
	At the beginning of the year	01.04.2016		5,18,000	10.80%		0.00%
	Changes during the year		Bonus	1,29,500	2.16%	6,47,500	10.80%
	At the end of the year	31.03.2017		6,47,500	10.80%		0.00%

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment.				
(Amt. Rs.)				
Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	6,71,03,395.00	15,23,11,410.00	-	21,94,14,805.00
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	6,71,03,395.00	15,23,11,410.00	-	21,94,14,805.00
Change in Indebtedness during the financial year				
* Addition	-	1,17,91,706.00	-	1,17,91,706.00
* Reduction	87,37,474.00	-	-	87,37,474.00
Net Change	7,37,474.00	1,17,91,706.00	-	1,17,91,706.00
Indebtedness at the end of the financial year				
i) Principal Amount	5,83,65,921.00	16,41,03,116.00	-	22,24,69,037.00
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

SN.	Particulars of Remuneration	Name of MD/WTD/ Manager			Total Amount (In Rs)
		Dilipkumar G. Changela Managing Director	Hiralal G. Changela Whole Time Director	Vrajlal G. Changela Whole Time Director	
	Name	Dilipkumar G. Changela	Hiralal G. Changela	Vrajlal G. Changela	
	Designation	Managing Director	Whole Time Director	Whole Time Director	
1	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	15,00,000.00	15,00,000.00	15,00,000.00	45,00,000.00
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	-	-	-	-
2	Stock Option	-	-	-	-
3	Sweat Equity	-	-	-	-
4	Commission				
	- as % of profit	-	-	-	-
	- others, specify	-	-	-	-
5	Others, please specify	-	-	-	-

	Total (A)	-	-	-	-
	Ceiling as per the Act				

B. Remuneration to other Directors

SN.	Particulars of Remuneration	Name of Directors			Total Amount (Rs/Lac)
		Mr. Rakesh Savani	Mr. Urja Ghetiya	Mr. Niteshkumar Patel	
1	Independent Directors				
	Fee for attending board committee meetings	16,000.00	16,000.00	16,000.00	48,000.00
	Commission	-	-	-	-
	Others, please specify	-	-	-	-
	Total (1)	16,000.00	16,000.00	16,000.00	48,000.00
2	Other Non-Executive Directors	-	-	-	-
	Fee for attending board committee meetings	-	-	-	-
	Commission	-	-	-	-
	Others, please specify	-	-	-	-
	Total (2)	-	-	-	-
	Total (B)=(1+2)	16,000.00	16,000.00	16,000.00	48,000.00
	Total Managerial Remuneration (A+B)				45,48,000.00
	Overall Ceiling as per the Act				

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

SN.	Particulars of Remuneration	Name of Key Managerial Personnel			Total Amount (Rs/Lac)
		Mr. Divyesh Changela	Mr. Vishal V. Changela	Ms. Dimpri Sampat	
	Name	COO	CFO	CS	
	Designation	COO	CFO	CS	
1	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	9,00,000.00	9,00,000.00	1,08,000.00	19,08,000.00
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	-	-	-	-
2	Stock Option	-	-	-	-
3	Sweat Equity	-	-	-	-

4	Commission				
	- as % of profit	-	-	-	-
	- others, specify	-	-	-	-
5	Others, please specify	-	-	-	-
	Total	9,00,000.00	9,00,000.00	1,08,000.00	19,08,000.00

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

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

For and on behalf of the Board of Directors

Place: Shapar (Veraval)
Date: September 02, 2017

Dilipkumar Changela
Chairman & Managing Director
DIN: 00247302

Whole Time Director / CFO Certification

**TO
BOARD OF DIRECTORS
VISHAL BEARINGS LIMITED**

We, undersigned, in our respective capacities in Vishal Bearings Limited certify that:

(a) We have reviewed Financial Statements and the Cash Flow Statement for the Financial Year ended 31st March, 2016 and that to the best of our knowledge and belief:

- (i) These statements do not contain any materiality untrue statement or omit any material fact or contain statements that might be misleading;
- (ii) These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standard, applicable laws and regulations.

(b) These are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or Violative of the Company's code of conduct.

(c) We are responsible for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of the internal control systems of the company pertaining to financial reporting and we have disclosed to the Auditors and the Audit committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and steps we have taken or propose to take to rectify these deficiencies.

(d) We have indicated to the Auditors and the Audit Committees that:

- (i) There have been so significant changes in internal control over financial reporting during the year;
- (ii) There have been no significant changes in accounting policies during the year; and
- (iii) There have been no instances of significant fraud of which we have become aware and the involvement therein; if any; of the management or an employee having a significant role in the Company's internal control system over financial reporting.

Dilipkumar Changela
Managing Director

Hiralal Changela
Whole Time Director

Vishal Changela
Chief Financial Officer

Date : September 02, 2017

Place: Shapar (Veraval)

INDEPENDENT AUDITOR'S REPORT

**TO THE MEMBERS
VISHAL BEARINGS LIMITED**

REPORT ON AUDITED FINANCIAL STATEMENTS

We have audited the accompanying financial statements of VISHAL BEARINGS LTD. ('the Company'), which comprise the Balance Sheet as at March 31, 2017 and the Statement of Profit and Loss and the Cash Flow Statement for the year ended on that date, and a summary of significant accounting policies and other explanatory information.

MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position and financial performance of the Company including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding 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 the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India.

Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on whether the Company has an adequate internal financial controls system over financial reporting in place and the operating effectiveness of such controls. An audit also

includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's Board of Directors, as well as evaluating the overall presentation of the financial statements.

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

OPINION

In our opinion and to the best of our information and according to the explanations given to us, the 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;

- A) In the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2017;
- B) In the case of the Statement of Profit and Loss, of the profit of the Company for the year ended on that date; and
- C) In the case of the Cash Flow Statement, of the cash flows of the Company for the year ended on that date.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

- 1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in the Annexure A, a statement on the matters specified in paragraphs 3 and 4 of the 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 purposes of our audit;
 - B) in our opinion, proper books of account as required by law have been kept by the Company, so far as it appears from our examination of those books;
 - C) the Balance Sheet and Statement of Profit and Loss dealt with by this report are in agreement with the books of account, as submitted to us;
 - D) in our opinion, the aforesaid financial statements comply with the accounting standards specified under Section 133 of the Companies Act, read with Rule 7 of the Companies (Accounts) Rules, 2014, to the extent applicable;
 - E) On the basis of written representations received from the directors, as on March 31, 2017, and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2017 from being appointed as a director in terms of Section 164(2) of the Act;
 - F) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in Annexure - B and
 - 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 Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

- i) There were no pending litigations which would impact the financial position of the Company.
- ii) The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, and as required on long-term contracts including derivative contracts.
- iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
- iv) The Company has provided requisite disclosures in its financial statements as to holdings as well as dealings in Specified Bank Notes during the period from November 08, 2016 to December 30, 2016 and these are in accordance with the books of accounts maintained by the Company. Refer Note 38 to the financial statements

For SVK & ASSOCIATES
Chartered Accountants
Firm No. – 118564W

Place: Rajkot
Date: May 30, 2017

Shilpang V. Karia
Partner
M. No. – 102114

ANNEXURE – A TO THE AUDITOR’S REPORT

(Referred to in paragraph 1 of our Report of even date on the Statement of Accounts of VISHAL BEARINGS LIMITED for the year ended on 31st March, 2017)

1. FIXED ASSETS:

- a) In our opinion, the company has generally maintained proper records showing full particulars including quantitative details and situation of fixed assets on the basis of available information.
- b) As explained to us, the fixed assets have been physically verified by the management during the year in a phased periodical manner, which in our opinion is reasonable, having regard to size of the company and nature of its assets. No material discrepancies with respect to book records were noticed on such verification.
- c) As explained to us and on the basis of our examination of the books of accounts, the deeds of immovable properties are held in the name of the company.

2. INVENTORIES:

- a) According to the information and explanation given to us, the inventories have been physically verified during the year by the management and in our opinion, the frequency of verification is reasonable.
- b) As explained to us, no material discrepancies were noticed on physical verification of inventories as compared to the book records.

3. LOANS:

According to the information and explanations given to us and on the basis of our examination of the books of account, the company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Companies Act, 2013, during the year under review. Consequently, the provisions of clause (iii) of the order are not applicable to the company.

4. LOANS, INVESTMENTS & GUARANTEES:

According to the information and explanations given to us and on the basis of our examination of the books of account, the company has not granted any loans directly or indirectly to any directors or person or entities in which directors are interested and/or has not given any guarantee or provided any security in connection with loan taken by them;

According to the information and explanations given to us and on the basis of our examination of the books of account, the company has complied with the provisions of section 186 in respect of investments, if any, made in securities of other body corporate.

5. DEPOSITS:

As explained to us, the company has not accepted any loans or 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 year under review.

6. COST RECORDS:

According to the information and explanations provided by the management to us and to the best of our knowledge, the Company is not engaged in production of any such goods or production of any such services for which the Central Government has prescribed particulars relating to utilization of material or labour or other items of cost. Hence the provisions of section 148(1) of the Act do not apply to the Company.

7. STATUTORY DUES:

- a) As per information and explanation available to us, undisputed statutory dues including provident fund, investor education and protection fund, employee’s state insurance, income-tax, sales-tax, wealth tax, service tax, custom duty, excise duty, value added tax, cess and other statutory dues have been generally regularly deposited with the appropriate authorities, applicable to it though there had been some delays in certain cases. Further according to information explanation given to us, No undisputed statutory dues applicable to the company were outstanding as at 31st March, 2017 for a period of more than 6 months from the date they become payable.
- b) According to the information and explanation available to us, there are no dues outstanding on account sales tax, income tax, wealth tax, service tax, custom duty, excise duty, cession account of dispute, except as follows:

Sr. No.	Name of the Statue	Nature of dues	Amount under dispute Rs. In lacs	Period to which amount relates	Forum where dispute is pending
1.	The Income Tax Act, 1961	Income Tax (Plus Applicable Interest)	1.86 *	AY 14-15	CIT(A)-Rajkot 1

* The company has deposited Rs. 0.28 Lacs against the said amount.

8. DUES TO FINANCIAL INSTITUTION, BANKS OR DEBENTURE HOLDER:

Based on our audit procedures and as per information and explanation given to us by the management of the company, we are of the opinion that company has not defaulted in repayment of dues to financial institutions and banks during the year under review.

The company has not issued any debentures.

9. TERM LOANS & PUBLIC ISSUE:

Based on the audit procedures performed and according to the information, explanations given to us, on an overall basis, the existing as well as new term loans have been applied for the purpose for which they were obtained. The company has not raised any money through a public issue during the year under review

10. FRAUD:

Based upon the audit procedures performed and as per the information and explanation given by the management, we report that no fraud by the

company or any fraud on the company by its officers / employees has been noticed or reported during the course of our audit.

11. MANAGERIAL REMUNERATION:

As per the information and explanations given to us, the company has complied with the provisions of section 197 of the Companies Act, 2013 regarding managerial remuneration to the extent applicable.

12. NIDHI COMPANY:

In our opinion, the company is not a nidhi company. Consequently, the provisions of clause (xii) of the order are not applicable to the company.

13. RELATED PARTY TRANSACTIONS:

Based upon the audit procedures performed and as per the information and explanation given by the management, all the transactions with the related parties are in compliance with Section 177 and 188 of the Companies Act, 2013 and have been duly disclosed in the financial statements, as required by the applicable accounting standards.

14. PREFERENTIAL ALLOTMENT / PRIVATE PLACEMENT:

Based on the audit procedures performed and according to the information and explanations given to us, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Consequently, the provisions of clause (xiv) of the order are not applicable to the company.

15. NON-CASH TRANSACTIONS:

Based on the audit procedures performed and according to the information and explanations given to us, the company has not entered into any non-cash transactions with directors or persons connected with him. Consequently, the provisions of clause (xv) of the order are not applicable to the company.

16. REGISTRATION UNDER SECTION 45-IA OF RBI ACT, 1934:

Since the company is not an NBFC, the provisions of clause (xvi) of the order are not applicable to the company.

For SVK & ASSOCIATES
Chartered Accountants
Firm No. – 118564W

Place: Rajkot
Date: May 30, 2017

Shilpang V. Karia
Partner
M. No. – 102114

ANNEXURE – B TO THE AUDITOR’S REPORT

(Referred to in paragraph 2(f) of our Report of even date on the Statement of Accounts of VISHAL BEARINGS LIMITED for the year ended on 31st March, 2017)

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 VISHAL BEARINGS LIMITED (“the Company”) as of 31 March 2017 in conjunction with our audit of the 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. 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.

AUDITOR’S 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 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 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.

INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial 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, 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 2017 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 SVK & ASSOCIATES
Chartered Accountants
Firm No. – 118564W

Place: Rajkot
Date: May 30, 2017

Shilpang V. Karia
Partner
M. No. – 102114

BALANCE SHEET AS AT 31st MARCH, 2017

PARTICULARS	Note No.	As at 31-03-2017 Rupees	As at 31-03-2016 Rupees
I. EQUITY AND LIABILITIES :			
1. SHAREHOLDERS' FUNDS :			
(a) Share capital	3	5,99,50,000	4,79,60,000
(b) Reserves and surplus	4	2,94,48,534	3,33,18,586
(c) Money received against share warrants	-	-	-
Sub Total		8,93,98,534	8,12,78,586
2. SHARE APPLICATION MONEY PENDING ALOTMENT :			
	-	-	-
3. DEFERRED GOVERNMENT GRANTS :			
	-	-	-
4. MINORITY INTEREST			
	-	-	-
5. NON-CURRENT LIABILITIES :			
(a) Long-term borrowings	5	16,64,12,707	15,50,98,321
(b) Deferred tax liabilities (Net)	6	63,71,690	70,49,728
(c) Foreign Currency Monetary Item Translation Difference Liability Account	-	-	-
(d) Other long term liabilities	-	-	-
(e) Long term provisions	-	-	-
Sub Total		17,27,84,397	16,21,48,049
6. CURRENT LIABILITIES :			
(a) Short-Term Borrowings	7	5,60,56,330	6,43,16,484
(b) Trade Payables	8		
(A) Total Outstanding Dues of Micro Enterprises & Small Enterprises	42	-	-
(B) Total Outstanding Dues of Creditors other than Micro Enterprises & Small Enterprises		2,21,75,322	2,11,21,423
(c) Other Current Liabilities	9	54,23,007	30,88,911
(d) Short-Term Provisions	10	1,05,13,482	35,30,122
Sub Total		9,41,68,141	9,20,56,940
TOTAL		35,63,51,073	33,54,83,575

II. ASSETS :

1. NON-CURRENT ASSETS :

(a) Fixed Assets	11		
(i) Tangible assets		15,26,46,914	15,64,29,470
(ii) Intangible assets		-	-
(iii) Tangible Assets Capital work-in-progress		17,32,063	-
(iv) Intangible assets under development or work in progress		-	-
(b) Non-current investment	12	89,25,388	77,64,388
(c) Deferred tax assets (Net)	-	-	-
(d) Foreign Currency Monetary Item Translation Difference Asset Account	-	-	-
(e) Long term loans and advances	13	91,22,870	49,45,338
(f) Other non-current assets	-	-	-
Sub Total		17,24,27,235	16,91,39,196

2. CURRENT ASSETS

(a) Current Investments	-	-	-
(b) Inventories	14	8,42,50,962	9,39,15,107
(c) Trade Receivables	15	6,84,52,791	4,47,59,921
(d) Cash and Cash Equivalents	16	7,35,763	9,61,996
(e) Bank Balances other than Cash and Cash Equivalents	16	1,91,33,469	1,19,41,437
(f) Short-term Loans and Advances	17	1,11,40,879	1,45,18,541
(g) Other Current Assets	18	2,09,974	2,47,377
Sub Total		18,39,23,838	16,63,44,379
TOTAL		35,63,51,073	33,54,83,575

Accompanying Notes forming part of the Financial Statements

As per our report of even date attached

1 to 44

On behalf of the Board of Directors

FOR SVK & ASSOCIATES

Chartered Accountants
Firm Reg. No. 118564W

Shilpang V. Karia

Partner
M. No. 102114

Place : Rajkot

Date : May 30, 2017

FOR, VISHAL BEARINGS LTD.

D. G. Changela

Managing Director
DIN : 00247302

Vishal V. Changela

Chief Financial Officer

H. G. Changela

Whole Time Director
DIN : 00247292

Dimpi Sampat

Company Secretary

STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED ON 31ST MARCH, 2017

PARTICULARS	Note No.	For the Year 31-03-2017 Rupees	For the Year 31-03-2016 Rupees
I. Revenue from Operation	19	33,06,13,343	23,14,60,040
II. Other Income	20	57,54,365	(2,28,174)
III. Total Revenue (I + II)		33,63,67,708	23,12,31,866
IV. Expenses:			
1. Cost of Materials and Stores Consumed	21	18,10,93,365	12,77,48,689
2. Purchases of Stock-in-Trade	-	-	-
3. Changes in Inventories of Finished Goods, Work-inprocess and Stock-in-trade	22	41,27,661	(2,70,83,347)
4. Employee Benefits Expenses	23	5,60,56,235	4,44,88,676
5. Financial Costs	24	1,72,61,985	1,66,00,474
6. Depreciation and Amortization Expenses	11	2,54,75,145	2,22,99,467
7. Other Expenses	25	4,00,07,440	4,17,48,259
Total Expenses		32,40,21,831	22,58,02,218
V. Profit Before Exceptional and Extraordinary Items and Tax (III - IV)		1,23,45,877	54,29,648
VI. Exceptional Items		-	-
Profit Before Extraordinary Items and Tax (V - VI)		1,23,45,877	54,29,648
VIII. Extraordinary Items		-	-
IX. Profit Before Tax (VII - VIII)		1,23,45,877	54,29,648
X. <u>Tax Expenses:</u>			
(1) Current tax - Pertaining to Current Year		(50,00,000)	(10,50,000)
(2) Current tax - Pertaining to Current Year (MAT Credit)		87,520	80,000
(3) Current tax - Pertaining to Prior Year		8,513	(2,03,552)
(4) Deferred Tax		6,78,038	(8,11,093)
Total Tax Expenses		(42,25,929)	(19,84,645)
XI. Profit/(Loss) for the period		81,19,948	34,45,003
XII. Earning per equity share:			
<i>(Refer Note No. 26)</i>			
(1) Basic (Restated) (Adjusted for Bonus Issue)		1.35	0.65
(2) Diluted (Restated) (Adjusted for Bonus Issue)		1.35	0.65

Accompanying Notes forming part of the

Financial Statements

1 to
44

As per our report of even date attached

On behalf of the Board of Directors

FOR SVK & ASSOCIATES

Chartered Accountants
Firm Reg. No. 118564W

FOR, VISHAL BEARINGS LTD.

Shilpang V. Karia

Partner
M. No. 102114

D. G. Changela

Managing Director
DIN : 00247302

H. G. Changela

Whole Time Director
DIN : 00247292

Place : Rajkot

Date : May 30, 2017

Vishal V. Changela

Chief Financial Officer

Dimpi Sampat

Company Secretary

CASH FLOW STATEMENT

PARTICULARS	Year Ended 31-03-17	Year Ended 31-03-16
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before tax	1,23,45,877	54,29,648
Adjustment for :		
Depreciation and Amortization Exp	2,54,75,145	2,22,99,467
Interest Income	(12,06,236)	(7,47,696)
Profit on Sale of Investments	-	(4,23,216)
Financial Cost	<u>1,72,61,985</u>	<u>1,66,00,474</u>
	<u>4,15,30,894</u>	<u>3,77,29,029</u>
Operating profit before working capital changes	5,38,76,771	4,31,58,677
Adjustment for :		
Changes in Working Capital :		
Increase / (Decrease) in Trade Payable	10,53,899	(3,02,82,941)
Increase / (Decrease) in Other Current Liability	23,34,096	(26,81,068)
Increase / (Decrease) in Short Term Provisions	30,33,360	19,04,916
(Increase) / Decrease in Inventories	96,64,145	(1,94,26,134)
(Increase) / Decrease in Trade Receivables	(2,36,92,870)	(44,03,967)
(Increase) / Decrease in Short Term Loans & Advances	51,76,408	21,08,725
(Increase) / Decrease in Other Current Assets	<u>37,403</u>	<u>87,847</u>
	<u>(23,93,559)</u>	<u>(5,26,92,622)</u>
Cash Generated from Operation	5,14,83,212	(95,33,945)
Net Income-tax paid	<u>(27,52,713)</u>	<u>(46,49,989)</u>
Net Cash Flow from Operating Activities	4,87,30,499	(1,41,83,934)
B. CASH FLOW FROM INVESTING ACTIVITIES :		
Capital Expenditure on Fixed Assets	(2,34,24,651)	(3,52,59,162)
Interest Income	12,06,236	7,47,696
Profit on Sale of Investments	-	4,23,216
(Increase)/Decrease in Other Non-current Liability	-	(12,89,065)
(Increase)/Decrease in Other Non-current Advances	(41,77,532)	42,91,001
(Increase)/Decrease in Non-current Investment	<u>(11,61,000)</u>	<u>(10,28,606)</u>
Net Cash Flow from/(used) in Investing Activities	(2,75,56,947)	(3,21,14,920)
C. CASH FLOW FROM FINANCING ACTIVITIES :		
Proceeds from Issue of Share Capital	-	3,24,00,000
Proceeds from Long Term Borrowings	1,13,14,386	64,38,525
Short Term Borrowings	(82,60,154)	2,94,87,107
Financial Cost paid	<u>(1,72,61,985)</u>	<u>(1,66,00,474)</u>
Net Cash Flow from/(used) in Financing Activities	(1,42,07,753)	5,17,25,158
Net Increase/(decrease) in Cash & Cash Equivalents(A+B+C)	69,65,799	54,26,304
Cash & Cash Equivalents at the beginning of the period	<u>1,29,03,433</u>	<u>74,77,129</u>
	1,98,69,232	1,29,03,433
Cash & Cash Equivalents at the end of the period	1,98,69,232	1,29,03,433

COMPONENTS OF CASH & CASH EQUIVALENTS	Year Ended 31-03-17		Year Ended 31-03-16	
(a) Balance with banks	1,66,216		1,50,758	
(b) Cash on hand	7,35,763		9,61,996	
(c) Earmarked balances with banks	1,89,67,253	1,98,69,232	1,17,90,679	1,29,03,433

- 1) The figures in bracket indicate outflow
- 2) The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in the Accounting Standard - 3 on "Cash Flow Statement" issued by ICAI.
- 3) Figures of Cash & Cash Equivalents have been taken from Note 16
- 4) Previous period's figures have been regrouped wherever considered necessary.

**As per our report of even date
attached**

FOR SVK & ASSOCIATES
Chartered Accountants
Firm Reg. No. 118564W

Shilpang V. Karia
Partner
M. No. 102114

Place : Rajkot
Date : May 30, 2017

On behalf of the Board of Directors

FOR, VISHAL BEARINGS LTD.

D. G. Changela
Managing
Director
DIN : 00247302

Vishal V. Changela
Chief Financial Officer

H. G. Changela
Whole Time Director
DIN : 00247292

Dimpi Sampat
Company Secretary

NOTES

FORMING PART OF FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR 2016-17

1. CORPORATE INFORMATION

Vishal Bearings Ltd. ("the company") having its manufacturing facilities at Shapar (Veraval), Rajkot, is presently engaged in the business of manufacturing of Bearing Rollers, earning Jobwork Income & Wind Power Generation.

Issue of Bonus Shares

During the year under review, the company has issued 11,99,000 bonus shares amounting to Rs. 1,19,90,000/- in the ratio of 1:4.

2. SIGNIFICANT ACCOUNTING POLICIES

(i) Basis of preparation

These financial statements are prepared in accordance with Schedule III of the Companies Act, 2013 and under the historical cost basis of accounting and evaluated on a going concern basis, with revenues and expenses accounted for on their accrual to comply in all material aspects with the applicable accounting principles and applicable Accounting Standards notified under section 133 of the Companies Act, 2013 (The Act) read with rule 7 of Companies (Accounts) Rules, 2014. The accounting policies have been consistently applied by the Company; and the accounting policies not referred to otherwise, are in conformity with Indian Generally Accepted Accounting Principles ('Indian GAAP').

The accounting policies adopted in the preparation of financial statements are consistent with those of previous year unless otherwise stated.

(ii) Use of Estimates:

The preparation of financial statements require estimates and assumptions to be made that affect the reported balances of assets as on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Accounting estimates could change from period to period. Actual results could differ from these estimates. Appropriate changes in estimates are made as and when the Management becomes aware of the changes in the circumstances surrounding the estimates. Changes in estimates are reflected in the financial statements in the period in which the changes are made and if material, their effects are disclosed in the notes to the financial statements.

(iii) Revenue Recognition:

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured.

Sales of Goods:

Sales are recognised when significant risks and rewards of ownership of goods have been passed to the buyer.

Power Generation Income:

Power generation income is recognised on the basis of electrical units generated and eligible for captive consumption or captive consumed or sold as shown in the power generation reports issued by the concerned authorities. Power generation income is booked as the per unit electricity rate, being paid by the company / actually sold by the company.

Interest:

Revenue is recognised on a time proportion basis taking into account the amount outstanding and the rate applicable.

Jobwork Income:

Revenue is recognised on the basis of completion of services being provided.

(iv) **Tangible Fixed Assets:**

Fixed assets are stated at their cost of acquisition plus all expenditure incurred for bringing the assets to their present location and condition including the installation costs, net of modvat / cenvat / other credits and includes amounts added on revaluation, less accumulated depreciation and impairment loss, if any. All costs, including specific financing cost till assets put to use, net charges on foreign exchange contracts and adjustment arising from foreign exchange rate variations attributable to the fixed assets are capitalised.

(v) **Depreciation/Amortization:**

The company has charged depreciation on fixed assets on Written Down Value (WDV) method on the basis of useful life / remaining useful life and in the manner as prescribed in, Part C, Schedule II of the Companies Act, 2013. Depreciation on additions/ disposals during the year has been provided on pro-rata basis with reference to the nos. of days utilized.

Depreciation on additions/ disposals during the year has been provided on pro-rata basis.

Details of useful life of an asset and its residual value estimated by the management:

Type of Asset	Useful Life as per management's estimate
Factory Building	30 Years
Plant & Machinery*	20 Years
Furnace	15 Years
Electrification	15 Years
Furniture & Fixtures	10 Years

Computers	3 Years
Computer Software	6 Years
Refrigerator	15 Years
EPBX System	15 Years
Air Conditioner	15 Years
Fax Machine	15 Years
Water Filter	15 Years
Mobile & Telephone	15 Years
CCTV System	15 Years
Weighing Scale Machine	15 Years
Motor Cars	8 Years
Motor Cycles	10 Years
Windmill Plant & Machinery	22 Years

In none of the case, residual value of an asset is more than five per cent of original cost of the asset.

* For this class of asset, based on internal assessment and independent technical evaluation carried out by chartered engineer, the useful life is estimated to be 20 Years from the date of its put to use, whereas the useful life for the said class of asset as per Schedule II is 15 Years.

(vi) Inventories:

Inventories of Raw Materials, Semi-Finished Goods, Finished Goods and Waste & Scrap are stated at cost or net realisable value, whichever is lower. Cost comprises all cost of purchase, cost of conversion and other costs incurred in bringing the inventories to their present location and condition. The excise duty in respect of closing inventory of finished goods is included as part of finished goods. Cost formula used is 'Average cost'. Due allowance is estimated and made for defective and obsolete items, wherever necessary, based on the past experience of the Company.

(vii) Retirement Benefits and other employee benefits :

Defined Contribution Plans :

Defined contribution to provident fund is charged to the profit and loss account on accrual basis.

Defined Benefit Plans :

Provision for gratuity liability is provided based on actuarial valuation made at the end of the financial year.

Leave encashment expenditure is charged to profit and loss account at the time of leave encashed and paid, if any. Bonus expenditure is charged to profit and loss account on accrual basis.

(viii) Foreign Currency Transactions:

Transactions denominated in foreign currencies are recorded at the exchange rate prevailing on the date of transaction.

Foreign currency current assets and current liabilities outstanding at the balance sheet date are translated at the exchange rate prevailing on that date and the net gain or loss is recognized in the profit and loss account.

Foreign currency translation differences relating to liabilities incurred for purchasing of fixed assets from foreign countries are adjusted in the carrying cost of fixed asset for differences up to the year-end in the year of acquisition, whereas differences arising thereafter to be recognized in the profit and loss account. All other foreign currency gain or losses are recognized in the profit and loss account.

- (ix) **Operating Lease:**
Operating leases: Assets acquired as leases where a significant portion of risk and rewards of ownership are retained by the lessor are classified as operating lease. Lease rentals being income or expense are booked to the profit and loss account as incurred.

Initial direct costs in respect of the lease acquired are expenses off in the year in which such costs are incurred.

- (x) **Borrowing Cost:**
Borrowing costs that are directly attributable to the acquisition, construction or production of qualifying assets are capitalised as part of the cost of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for intended use. Costs incurred in raising funds are amortised equally over the period for which the funds are acquired. All other borrowing costs are charged to profit and loss account.

- (xi) **Taxes on Income**
Tax expenses comprise Current Tax / Minimum Alternate Tax (MAT) and deferred tax charge or credit.

Current Tax: Provision for current tax / Minimum Alternate Tax (MAT) is made based on tax liability computed after considering tax allowances and exemptions, in accordance with the provisions of The Income Tax Act, 1961.

Deferred Tax: Deferred tax assets and liability is recognized, on timing differences, being the differences between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax assets arising mainly on account of brought forward losses, unabsorbed depreciation and minimum alternate tax under tax laws, are recognised, only if there is a virtual certainty of its realisation, supported by convincing evidence. At each Balance Sheet date, the carrying amount of deferred tax assets are reviewed to reassure realisation. The deferred tax asset and deferred tax liability is calculated by applying tax rate and tax laws that have been enacted or substantively enacted by the Balance Sheet date.

(xii) Earnings/(Loss) per Share:

Basic earnings/(loss) per share are calculated by dividing the net profit / (loss) for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period are adjusted for any bonus shares issued during the year and also after the balance sheet date but before the date the financial statements are approved by the board of directors.

(xiii) Provisions, contingent liabilities and contingent assets:

A provision is recognised when the company has a present obligation as a result of past events 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 their present value and are determined based on best estimates required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The company does not recognize a contingent liability but discloses its existence in the financial statements.

Contingent liabilities are disclosed by way of notes to the accounts.

Contingent assets are not recognized.

(xiv) Investments:

Investments being Non-Current Investments consists investments made in equity oriented mutual funds (quoted) and shares in co-operative banks (non-quoted). Investments are stated at cost of acquisition. Provision for diminution in the value of long term investments is made only if such decline is other than temporary.

(xv) Cash and Cash Equivalents:

Cash and cash equivalents in the cash flow statement comprise cash at bank and in hand, cheques on hand and short-term investments with an original maturity of three months or less.

Cash flows are reported using the indirect method, whereby profit before tax is adjusted for the effects of transactions of 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. Cash flows from operating, investing and financing activities of the Company are segregated, accordingly.

- (xvi) Government Grants & Assistance:
This includes cash subsidy being received from State Government and District Industries Centre (DIC) for fixed assets being non-repayable is grouped under Capital Reserve.
- (xvii) Segment Reporting:
In accordance with Accounting Standard-17 – “Segment Reporting” issued by the Institute of Chartered Accountants of India, the Company has identified its business segment as “Manufacturing of Bearing Rollers & Other Allied Activities”. There are no other primary reportable segments applicable to the company. The major and material activities of the company are restricted to only one geographical segment i.e. India, hence the secondary segment disclosures are also not applicable.
- (xviii) Share Issue Expenses:
Portion of share issue expenses being incurred for raising the money through initial public offer for working capital purpose, are charged to profit and loss account in the relevant year.

As per our attached Report of even date For and on behalf of Board

For, S V K & ASSOCIATES
Chartered Accountants

For, VISHAL BEARINGS LIMITED

Shilpang V. Karia
Partner
M. No. – 102114
F. No. – 118564W

D. G. Changela
Managing Director
DIN : 00247302

H. G. Changela
Whole Time Director
DIN: 00247292

Dimpi Sampat
Company Secretary

Place:Rajkot
Date: May 30, 2017

Vishal V. Changela
Chief Financial Officer

Notes

NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

PARTICULARS		As At 31-03-2017 Rupees	As At 31-03-2016 Rupees
SHARE CAPITAL			
3	(i) Authorised : (Refer Note No. 1) 10,000,000 Equity Shares of Rs. 10/- Each (Previous year 5,000,000 Equity Shares of Rs. 10/- each)	10,00,00,000	5,00,00,000
	Issued, Subscribed & Fully Paid : - 5,995,000 Equity Shares of Rs. 10/- Each fully paid (Previous year 4,796,000 Equity Shares of Rs. 10/- each fully paid)	5,99,50,000	4,79,60,000
	- Subscribed but not fully paid	-	-
(ii)	Reconciliation of number of Equity Shares : Equity Shares : Shares outstanding at the beginning of the year	47,96,000	4,79,60,000
	Sub-Division of Shares during FY 16-17	-	2,50,000
	Shares issued during the period	11,99,000	1,19,90,000
	Shares outstanding at the end of the year	59,95,000	5,99,50,000
(iii)	Terms/rights attached to equity shares The Company has only one class of equity shares having a par value of Rs. 10 each. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to approval of the shareholders in the ensuing Annual General Meeting.		
	In the event of liquidation of the Company, the holder of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.		
(iv)	Shares in respect of each class in the company held by its holding company or ultimate holding company.	-	-

PARTICULARS	As At 31-03-2017 Rupees		As At 31-03-2016 Rupees	
	As at 31-03-17		As at 31-03-16	
	No. of shares held	% of holding	No. of shares held	% of holding
(v) Shareholders holding more than 5% Shares :				
Names of Shareholders :				
Hiralal G. Changela	6,47,500	10.80%	5,18,000	10.80%
Vrajlal G. Changela	6,47,500	10.80%	5,18,000	10.80%
Dilipkumar G. Changela	6,47,500	10.80%	5,18,000	10.80%
(vi) Shares reserved for issue under option and contracts/ commitments for sale of shares/disinvestment.	-	-	-	-
(vii) For the period of 5 years immediately preceding the date as at Balance Sheet is prepared :				
- Aggregate number and class of shares allotted as fully paid up pursuant to contract(s) without payment being received in cash	-	-	-	-
- Aggregate number and class of shares allotted as fully paid up by way of bonus shares : Equity Shares	11,99,000	1,19,90,000	32,50,000	3,25,00,000
- Aggregate number and class of shares bought back	-	-	-	-
(viii) Terms of any securities convertible into equity/preference shares issued along with the earliest date of conversion in descending order starting from the farthest such date	-	-	-	-
(ix) Calls unpaid	-	-	-	-
(x) Forfeited shares	-	-	-	-
4 RESERVE AND SURPLUS :				
(a) Security Premium Reserve				
(Refer Note No. 1)				
Opening Balance		1,94,40,000		-
Less : Bonus Shares Issued During The Year		1,19,90,000		1,94,40,000
Closing Balance	(a)	74,50,000		1,94,40,000
(b) Other Reserves				
- Capital Reserve - Cash Subsidy		14,29,623		14,29,623
- General Reserve		54,55,173		54,55,173
Closing Balance	(b)	68,84,796		68,84,796

PARTICULARS	As At 31-03-2017 Rupees	As At 31-03-2016 Rupees
Balance in Statement of Profit and Loss Account :		
(c) - Opening Balance	69,93,790	3,60,48,787
- Less : Bonus Shares Issued During The Year	-	(3,25,00,000)
- Add : Profit for the year	81,19,948	34,45,003
Closing Balance (c)	1,51,13,738	69,93,790
TOTAL	2,94,48,534	3,33,18,586
5 LONG TERM BORROWINGS :		
(a) Term Loans :		
Secured Loan :		
- From banks	1,21,272	24,22,178
- From Financial Institutions	21,88,319	3,64,733
Loans and Advances from Related Parties :		
- Unsecured :		
- From Directors & Relatives	16,41,03,116	15,23,11,410
TOTAL	16,64,12,707	15,50,98,321

Notes :

Secured Loans From Banks & Financial Institutions :

- a Machinery Term loan from Kotak Mahindra Bank Ltd., current o/s as on 31st March, 2017 Rs. 8,52,768/- is secured by hypothecation of Plant & Machinery and repayable in monthly instalment of Rs. 113127 including interest, ROI 13.40% p. a.
- b Car loan (Vento) from Kotak Mahindra Prime Ltd., current o/s as on 31st March, 2016 Rs. 10,49,100/- is secured by hypothecation of Motor Car and repayable in monthly EMI of Rs. 38440 including interest, rate of interest 9.50% p. a.
- c Car loan (Mahindra TUV) from Kotak Mahindra Prime Ltd., current o/s as on 31st March, 2017 Rs. 3,66,238/- is secured by hypothecation of Motor Car and repayable in monthly EMI of Rs. 22460 including interest, rate of interest 10.60% p. a.
- d Car loan (BMW) from BMW Financial Services Ltd., current o/s as on 31st March, 2017 Rs. 28,67,808/- is secured by hypothecation of Motor Car and repayable in monthly EMI of Rs. 1,27,410 including interest, rate of interest 9.15% p. a.

Unsecured loans from related parties :

- e Unsecured Loans from directors and relatives are long term in nature and as per management explanation, generally not repayable within one year from the balance sheet date. Rate of Interest @ 9% p.a. (12% p.a.)

6 DEFERRED TAX LIABILITY (NET) :

	Deferred Tax Liability/ (Asset) as at 31-03-2017	Current year Charge (Credit)	Deferred Tax Liability/ (Asset) as at 31-03-2016
Deferred Tax Liabilities :			
- Tax on difference between book and Tax Depr.	70,86,205	(5,17,179)	76,03,384
Deferred Tax Assets :			
- Other Disallowance - Gratuity Provision	(7,14,514)	(1,60,858)	(5,53,656)
Net Deferred Tax Liability/(Asset)	63,71,690	(6,78,038)	70,49,728

PARTICULARS	As At 31-03-2017 Rupees	As At 31-03-2016 Rupees
7 SHORT TERM BORROWINGS :		
Secured :		
Cash Credit from Kotak Mahindra Bank Ltd.	2,14,89,644	2,95,36,050
Buyers Credit from Kotak Mahindra Bank Ltd.	3,45,66,686	3,47,80,434
TOTAL	5,60,56,330	6,43,16,484
Note :		
Working Capital Facilities from Banks:		
Cash Credit from Banks o/s. as on 31.03.2017 Rs. 21,634,635 secured by way of first charge by hypothecation of stocks, book debts and all current assets of the Company (Present & Future) including Plant & Machinery. Rate of interest at 11.85% p.a. subject to change from time to time..		
Buyers Credit from Banks o/s. as on 31.03.2017 Rs. 3,45,66,686 secured by way of first charge by hypothecation of stocks, book debts and all current assets of the Company (Present & Future) including Plant & Machinery. Rate of interest as per bank's guidelines from time to time.		
8 TRADE PAYABLES :		
(Refer Note No. 42)		
Trade payable for goods & expenses	2,21,75,322	2,11,21,423
TOTAL	2,21,75,322	2,11,21,423
9 OTHER CURRENT LIABILITIES :		
Current Maturities of Long		
(a) Term Debts	27,83,162	14,69,808
Interest Accrued but not Due on		
(b) Borrowings	1,88,152	4,23,411
Advances Received		
(c) From Customers	-	2,91,784
(d) Statutory Liabilities	24,51,693	9,03,908
TOTAL	54,23,007	30,88,911
10 SHORT TERM PROVISIONS :		
Provision for employee		
(a) benefits	20,34,865	17,23,572
(Refer Note No. 37)		
Provision for current		
(b) income-tax	50,00,000	10,50,000
(c) Other provisions	34,78,617	7,56,550
TOTAL	1,05,13,482	35,30,122

NOTE - 11 : FIXED ASSETS :

Sr. No.	Particulars	GROSS BLOCK				DEPRECIATION				NET BLOCK	
		Balance as at 01.04.2016 Rs.	Additions Rs.	Disposals Rs.	Balance as at 31.03.2017 Rs.	Balance as at 01.04.2016 Rs.	For the Year Rs.	Disposals Rs.	Balance as at 31.03.2017 Rs.	Balance as at 31.03.2017 Rs.	Balance as at 31.03.2016 Rs.
1	<u>Tangible Assets</u>										
	Lands	1,77,223	-	-	1,77,223	-	-	-	-	1,77,223	1,77,223
	Factory Building	3,79,24,598	27,642	-	3,79,52,240	1,14,03,483	24,98,450	-	1,39,01,933	2,40,50,307	2,65,21,115
	Plant & Machineries										
	Machinery	18,38,62,000	1,48,40,755	-	19,87,02,755	6,66,14,468	1,88,68,945	-	8,54,83,413	11,32,19,342	11,72,47,532
	Furnace	15,65,282	-	-	15,65,282	9,51,981	1,17,482	-	10,69,463	4,95,819	6,13,301
	Electric Attendance System	99,163	-	-	99,163	40,078	10,822	-	50,900	48,263	59,085
	Electrification	35,93,691	-	-	35,93,691	19,45,693	3,04,048	-	22,49,741	13,43,950	16,47,998
	Refrigerator	21,800	-	-	21,800	18,412	548	-	18,960	2,840	3,388
	Mobile & Telephone	2,52,545	12,800	-	2,65,345	1,33,327	26,788	-	1,60,115	1,05,230	1,19,218
	Air Conditioner	6,40,450	-	-	6,40,450	2,37,263	77,320	-	3,14,583	3,25,867	4,03,187
	Water Filter	94,775	-	-	94,775	58,984	6,912	-	65,896	28,879	35,791
	CCTV System	6,09,393	2,62,315	-	8,71,708	3,16,617	78,343	-	3,94,960	4,76,748	2,92,776
	Weighing Scale	1,33,830	12,500	-	1,46,330	44,157	18,202	-	62,359	83,971	89,673
	Furniture & Fixtures	10,61,148	23,508	-	10,84,656	5,56,807	1,33,342	-	6,90,149	3,94,507	5,04,341
	Computers & Softwares	19,43,481	1,90,325	-	21,33,806	15,33,413	2,34,568	-	17,67,981	3,65,825	4,10,068

	Vehicles										
	Motor Cars	52,39,043	63,22,744	-	1,15,61,787	29,78,886	23,53,659	-	53,32,545	62,29,242	22,60,157
	Motor Cycles	1,41,052	-	-	1,41,052	1,19,465	4,718	-	1,24,183	16,869	21,587
	Windmill Plant & Machinery	1,29,30,220	-	-	1,29,30,220	69,07,190	7,40,998	-	76,48,188	52,82,032	60,23,030
	Total - Tangible Assets	25,02,89,694	2,16,92,589	-	27,19,82,283	9,38,60,224	2,54,75,145	-	11,93,35,369	15,26,46,914	15,64,29,470
	Previous year Total	21,24,64,503	3,78,25,191	-	25,02,89,694	7,15,60,757	2,22,99,467	-	9,38,60,224	15,64,29,470	14,09,03,746
II	Intangible Assets :	-	-	-	-	-	-	-	-	-	-
	Total	-	-	-	-	-	-	-	-	-	-
	<i>Previous Year Total</i>	-	-	-	-	-	-	-	-	-	-
III	Capital Work in-progress :										
	Factory Building cont.- HEADER	-	17,32,063	-	17,32,063	-	-	-	-	17,32,063	-
	Total	-	17,32,063	-	17,32,063	-	-	-	-	17,32,063	-
	<i>Previous Year Total</i>	25,66,029	-	25,66,029	-	-	-	-	-	-	25,66,029
IV	Intangible Assets Under Development :	-	-	-	-	-	-	-	-	-	-
	Total	-	-	-	-	-	-	-	-	-	-
	<i>Previous Year Total</i>	-	-	-	-	-	-	-	-	-	-
	GRAND TOTAL	25,02,89,694	2,34,24,652	-	27,37,14,346	9,38,60,224	2,54,75,145	-	11,93,35,369	15,43,78,977	15,64,29,470
	GRAND TOTAL PREVIOUS YEAR	21,50,30,532	3,78,25,191	25,66,029	25,02,89,694	7,15,60,757	2,22,99,467	-	9,38,60,224	15,64,29,470	14,34,69,775

PARTICULARS	As At 31-03-2017 Rupees	As At 31-03-2016 Rupees
12 NON CURRENT INVESTMENTS :		
Unquoted : (At Cost) :		
Share Deposit in Co-op. Bank of Rajkot Ltd.	100	100
Share 1504 (1504) in Co-op. Bank of Rajkot Ltd.	37,600	37,600
Quoted : (At Cost) :		
DSP Blackrock - Equity Fund (G) [MV Rs. 38,31,653 (27,59,021)]	22,68,000	19,71,000
Franklin India Prima Plus (G) [MV Rs. 19,27,399 (13,50,608)]	13,93,911	11,23,911
ICICI Pru-Baln. Advant. Fund Reg (G) [MV Rs. 9,05,445 (MV Rs. 7,67,712)]	5,85,066	5,85,066
ICICI Prudential Infrastructure [MV Rs. 37,46,728 (MV Rs. 25,63,060)]	23,99,711	21,02,711
IDFC Premier Equity Fund [MV Rs. 42,95,372 (MV Rs.33,01,063)]	22,41,000	19,44,000
TOTAL	89,25,388	77,64,388
13 LONG TERM LOANS AND ADVANCES		
<i>(Unsecured and considered good as certified by the management)</i>		
Security Deposits	32,06,823	13,67,159
Capital Advances	59,16,047	35,78,179
TOTAL	91,22,870	49,45,338
14 INVENTORIES :		
<i>(As taken, valued & certified by the management)</i>		
Raw Materials	5,09,43,320	5,64,79,804
Work-in-process	3,31,85,700	3,60,62,100
Finished Goods	-	10,87,388
Others - Waste & Scrap	1,21,942	2,85,815
TOTAL	8,42,50,962	9,39,15,107
15 TRADE RECEIVABLES :		
<i>(Unsecured and considered good as certified by the management)</i>		
<i>(Refer Note No. 41)</i>		
Unsecured, considered good :		
- Outstanding or a period exceeding six months from the date they are due for payment.	6,85,181	80,385
- Outstanding or a period less than six months from the date they are due for payment.	6,77,67,610	4,46,79,536
TOTAL	6,84,52,791	4,47,59,921

PARTICULARS	As At 31-03-2017 Rupees	As At 31-03-2016 Rupees
16 CASH & CASH EQUIVALENTS AND BANK BALANCES		
OTHER THAN CASH & CASH EQUIVALENTS :		
(i) Cash and Cash Equivalents :		
(c) Cash on hand	7,35,763	9,61,996
(a)	7,35,763	9,61,996
Bank Balances other than Cash		
(ii) and Cash Equivalents :		
(a) Balance with banks :	1,66,216	1,50,758
(b) Earmarked balances with banks	1,89,67,253	1,17,90,679
(b)	1,91,33,469	1,19,41,437
TOTAL	1,98,69,232	1,29,03,433
17 SHORT TERM LOANS & ADVANCES :		
<i>(Unsecured and considered good as certified by the management)</i>		
Balances with Revenue		
(a) Authorities	1,10,34,589	1,28,83,873
Advance to Suppliers &		
(b) Others	56,088	15,57,462
(c) Prepaid Expenses	50,202	77,206
TOTAL	1,11,40,879	1,45,18,541
18 OTHER CURRENT ASSETS :		
<i>(Unsecured and considered good as certified by the management)</i>		
Income Receivable	2,09,974	2,47,377
TOTAL	2,09,974	2,47,377
19 REVENUE FROM OPERATION :		
(a) Sale of products	34,21,19,364	20,99,27,914
(b) Sale of Services	-	-
Other Operating		
(c) Revenues	2,53,98,456	4,38,05,290
	36,75,17,821	25,37,33,204
Less : Excise Duty	3,69,04,477	2,22,73,164
TOTAL	33,06,13,343	23,14,60,040
20 OTHER INCOME :		
Interest Income	12,06,236	7,47,696
Foreign Exchange Rate	40,37,469	
Fluctuation		(13,99,086)
Misc. Income	5,10,660	-
Long Term Gain on Equity		
Oriented Fund	-	4,23,216
TOTAL	57,54,365	(2,28,174)

PARTICULARS	As At 31-03-2017 Rupees	As At 31-03-2016 Rupees
21 COST OF RAW MATERIAL AND STORES CONSUMED :		
Opening Stock :	5,64,79,804	6,41,37,017
Add : Purchases	17,55,56,881	12,00,91,476
	23,20,36,685	18,42,28,493
Less : Closing Stock	5,09,43,320	5,64,79,804
TOTAL	18,10,93,365	12,77,48,689
22 CHANGE IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROCESS & STOCK-IN-TRADE :		
Opening Stock :		
Finished Goods	10,87,388	4,74,818
Semi-Finished Goods	3,60,62,100	98,09,632
Scrap/Wastage	2,85,815	67,506
Sub-Total	3,74,35,303	1,03,51,956
Less : Closing stock :		
Finished Goods	-	10,87,388
Semi-Finished Goods	3,31,85,700	3,60,62,100
Scrap/Wastage	1,21,942	2,85,815
Sub-Total	3,33,07,642	3,74,35,303
TOTAL	41,27,661	(2,70,83,347)
23 EMPLOYEE BENEFITS EXPENSES :		
Salary, Wages and Bonus		
(a) (including directors remuneration)	5,07,37,649	4,02,81,517
Contribution to Provident Fund &		
(b) Gratuity Fund	35,88,269	27,71,967
(c) Staff Welfare Expenses	17,30,317	14,36,692
TOTAL	5,60,56,235	4,44,90,176
24 FINANCIAL COSTS :		
(a) Interest Expenses	1,66,09,940	1,57,25,504
(b) Other Finance Costs	6,52,045	8,74,970
TOTAL	1,72,61,985	1,66,00,474

PARTICULARS	As At 31-03-2017 Rupees	As At 31-03-2016 Rupees
25 OTHER EXPENSES :		
a. Manufacturing & Operating Costs		
Consumption of Electric, Power and Fuel	2,22,43,638	1,66,66,918
Machinery Repairs & Maintenance	12,26,965	11,35,101
Building Repairs & Maintenance	4,21,228	16,64,077
Electric Repairs & Maintenance	7,91,891	3,27,168
Jobwork Expenses	9,99,272	67,07,688
Transportation & Labour Charges	37,71,101	23,52,729
Other Manufacturing & Operating Expenses	50,19,643	45,08,816
(a)	3,44,73,738	3,33,62,497
b. Sales & Distribution Expenses		
Advertisement & Sales Promotion Expenses	2,93,269	1,25,064
(b)	2,93,269	1,25,064
c. General & Administrative Expenses		
Audit Fees	30,000	30,000
Legal & Professional Expenses	17,98,538	10,78,466
Share Issue Expenses	-	45,18,611
Insurance	4,10,219	1,11,134
Rent	5,000	5,000
Rates & Taxes	2,28,227	1,63,299
Conveyance, Tour and Travelling Expenses	3,04,401	3,06,143
General Administration Expenses	24,64,048	20,46,545
(c)	52,40,433	82,59,198
TOTAL (a+b+c)	4,00,07,440	4,17,46,759
26 Earning per Share (EPS) :		
(a) Profit after tax for calculation of Basic and Diluted EPS	81,19,948	34,45,003
(b) Weighted average number of equity shares outstanding for calculating EPS (Adjusted for Bonus Issue)	59,95,000	52,97,426
(c) Basic and Diluted EPS (Adjusted for Bonus Issue)	1.35	0.65 (Restated)

PARTICULARS	As At 31-03-2017 Rupees	As At 31-03-2016 Rupees
27 Contingent Liabilities and Commitments : (to the extent not provided for)		
(i) Contingent Liabilities		
(a) Claim against the company not acknowledgement as debt	Nil	Nil
(b) Guarantees	Nil	Nil
(c) Letter of Credits issued by bank	3,45,66,686	5,06,31,206
(d) Disputed Liability in Appeal :		
(i) Income-tax	1,85,530	Nil
(ii) Central Excise	Nil	Nil
(ii) Commitments	Nil	Nil
(a) Estimated amount of contracts remaining to be executed on capital account and not provided for	Nil	Nil
(b) Uncalled liability on shares/investments partly paid	Nil	Nil
(c) Other commitments	Nil	Nil
<i>(Contingent liabilities as disclosed above are as certified by the management of the company)</i>		
28 Value of imports calculated on CIF basis by the company during financial year in respect of :		
i. Raw materials	8,50,79,221	6,72,56,267
ii. Components and spare parts	Nil	Nil
iii. Capital Goods	36,14,820	40,42,885
29 Earnings & Expenditure in foreign currency		
a Earnings	Nil	Nil
b Expenditures	Nil	Nil
30 Imported and Indigenous Material Consumed :		
Total value of imported raw materials, spare parts and components consumed during the financial year	10,78,47,823	7,59,39,508
ii. Total value of all indigenous raw materials, spare parts and components similarly consumed	7,32,45,542	5,18,09,181
iii. Total value of imported and indigenous raw materials, spare consumed during the financial year	18,10,93,365	12,77,48,689
iv. Imported raw materials and spare parts consumed in %	59.55%	59.44%
v. Indigenous raw materials and spare parts consumed in %	40.45%	40.56%

PARTICULARS	As At 31-03-2017 Rupees	As At 31-03-2016 Rupees
31 Payment to Auditors (Excluding Service tax) :		
- Audit Fees	30,000	30,000
32 Details of raw materials consumed : (In Rupees)		
Steel Coil, Consumable Stores & Packing Materials	18,10,93,365	12,77,48,689
33 Details of Manufactured Goods : (In Rupees)		
Product	Bearing Rollers & Scrap	
Opening Stock	13,73,203	5,42,324
Closing Stock	1,21,942	13,73,203
Sales (Excl. Excise)	30,52,14,887	18,76,54,750
34 There is no employees getting remuneration as required under Section 217 (2-A) of the Companies Act, 2013	NA	NA
35 Realisation :		
In the opinion of the Board and to the best of its knowledge and belief, the value on realisation of current assets, loans and advances will, in the ordinary course of business, not be less than the amounts at which they are stated in the Balance sheet.		
36 Contratual Liabilities :		
As certified by the management of the company, the company has generally made all the applicable provisions with respect to the business operations of the company.		
37 Gratuity Benefits		
The Company has defined benefit gratuity plan. Every employee who has completed five years or more of services gets a gratuity on departure at 15 days salary (Last drawn salary) for each completed year of service.		

The following table summarizes the component of net benefit expenses recognized in Statement of Profit & Loss and Gratuity Obligation as at year end as per Acturial Valuation Report.

Particulars	2016-17	2015-16
Opening defined benefit obligation	17,23,572	12,89,065
Add : Provision during the year	4,86,521	4,34,507
Less : Payment / Contribution during the year	17,23,572	-
Closing Defined benefit obligation	4,86,521	17,23,572

- 38 The details of SBNs held and transacted during the period from 8th November, 2016 to 30th December, 2016, the denomination-wise SBNs and other notes as per the MCA notification are as under : -

Particulars	SBNs	Other denomination notes	Total
Closing Cash in hand on 8th November, 2016	16,00,000	38,355	16,38,355
Add : Withdrawal from Banks	-	2,10,000	2,10,000
Add : Non-Permitted Receipts	-	-	-
Add : Permitted Receipts	-	-	-
Less : Permitted Payments	-	56,767	56,767
Less : Paid for non-permitted transactions	-	-	-
Less : Amount Deposited in Banks	16,00,000	-	16,00,000
Closing Cash as on 30th December, 2016	-	1,91,588	1,91,588

(Above disclosure is as certified by the management of the company)

- 39 Previous year's figure have been reworked, regrouped, rearranged and reclassified wherever necessary. Accordingly, amounts and other disclosures for the preceding year are included as an integral part of the current year financial statements and are to be read in relation to the amounts and other disclosures relating to the current year.
- 40 Balances of Trade Payables, Unsecured Loans, Trade Receivables, Long Term and Short Term Loans & Advances, Other Current Assets and Provisions and Non Current Investments are subject to the confirmation of the parties concerned. Wherever confirmation of the parties for the amounts due to them / amounts due from them as per books of accounts are not received, necessary adjustments, if any, will be made when the accounts are reconciled / settled.

41 **Related Party Disclosure :**

(I) **List of Related Parties and Relationship**

Name of Related Party :	Relationship
Key Management Personnel (KMP)	
Dilipkumar G. Changela	Managing Director
Vrajjal G. Changela	Whole Time Director
Hiralal G. Changela	Whole Time Director
Vishal V. Changela	CFO
Relatives of KMP	
Atulbhai Changela	
Bhumiben Dilipbhai Changela	"
Darshit Dilipbhai Changela	
Divyeshkumar Hiralal Changela	
Girishkumar G. Changela	
Hansaben Gopaldas Dharsandia	
Harsukhbhai Changela	
Jayanaben G. Changela	
Jayendrakumar Govindbhai Trambadia	
Jayeshkumar Govindbhai Trambadia	
Jayshreeben Hiralal Changela	
Jitendrakumar Govindbhai Trambadia	
Jyotiben V. Changela	

Manjulaben Jayantilal Marvania
 Nirju Hiralal Changela
 Prashant G. Changela
 Rajan G. Changela
 Rambhaben G. Changela
 Rasilaben Dilipbhai Changela
 Rinkuben Divyeshbhai Changela
 Vijaykumar V. Changela
 Vishal V. Changela

Companies / Entities owned / significantly influenced by directors & their relatives

Virdeep Engineering Pvt. Ltd.
 Vijay Petroleum Co.

(II) Nature of Transactions :	Interest <u>Rupees</u>	Loan Received/ (paid) <u>Rupees</u>	Remuneratio n/ Salary / Leave Pay/ Bonus <u>Rupees</u>	P-
				Purchase/(S- Sales)/ JE-Jobwork Expense / JI-Jobwork Income (E-Expenses) <u>Rupees</u>
2016 - 2017				
Dilipkumar G. Changela	17,48,285	-	15,00,000	-
Hiralal G. Changela	13,88,970	-	15,00,000	-
Vrajlal G. Changela	17,75,978	-	15,00,000	-
Vishal V. Changela	5,20,684	(2,00,000)	10,18,239	-
Rambhaben G. Changela	9,03,730	-	-	-
Bhumiben Dilipbhai Changela	2,50,524	-	-	-
Darshit D. Changela	8,68,321	-	10,18,239	-
Divyeshbhai H. Changela	5,74,105	-	10,18,239	-
Girishkumar G. Changela	9,47,294	-	-	-
Hansaben Gopaldas Dharsandia	2,86,330	-	-	-
Jaynaben G. Changela	5,85,629	(2,68,056)	-	-
Jayshreeben H. Changela	8,28,560	(3,03,330)	-	-
Manjulaben Jayantilal Marvania	2,29,755	-	-	-
Prashantkumar G. Changela	4,00,142	(2,76,498)	-	-
Rajan Girishkumar Changela	3,76,950	(2,60,472)	-	-
Jyotiben V. Changela	8,21,751	(50,000)	-	-
Vijaykumar V. Changela	4,29,924	-	10,18,239	-
Rasilaben D. Changela	5,59,206	(4,34,300)	-	-
Rinkuben Divyeshbhai Changela	3,92,867	(2,53,330)	-	-
Jayendrakumar Govindbhai Trambadia	18,530	(16,677)	-	-
Jayeshkumar Govindbhai Trambadia	35,766	(32,190)	-	-
Jitendrakumar Govindbhai Trambadia	34,677	(31,209)	-	-
Virdeep Engineering Pvt. Ltd.	-	-	-	434,257 (JE)
Virdeep Engineering Pvt. Ltd.	-	-	-	8,908 (JI)
Virdeep Engineering Pvt. Ltd.	-	-	-	451,216 (S)
Virdeep Engineering Pvt. Ltd.	-	-	-	40,956 (E)
Vijay Petroleum	-	-	-	-

	Interest Rupees	Loan Received / (paid) Rupees	Remuneration / Salary / Leave Pay / Bonus Rupees	P- Purchase/(S-Sales)/ JE-Jobwork Expense / JI-Jobwork Income (E-Expenses) Rupees
2015 - 2016				
Dilipkumar G. Changela	13,40,867	5,00,000	15,00,000	-
Dilipkumar G. Changela	-	(50,000)	-	-
Hiralal G. Changela	10,59,416	5,00,000	15,00,000	-
Vrajlal G. Changela	13,45,150	10,00,000	15,00,000	-
Vrajlal G. Changela	-	(3,50,000)	-	-
Vishal V. Changela	4,15,684	(1,35,000)	9,00,000	-
Rambhaben G. Changela	9,18,175	(30,00,000)	-	-
Bhumiben Dilipbhai Changela	2,00,431	(75,000)	-	-
Darshit D. Changela	6,76,114	-	9,00,000	-
Divyeshbhai H. Changela	4,47,024	-	9,00,000	-
Girishkumar G. Changela	6,21,486	15,00,000	-	-
Hansaben Gopaldas Dharsandia	2,22,949	-	-	-
Jaynaben G. Changela	4,87,357	(4,38,622)	-	-
Jayshreeben H. Changela	6,69,567	(3,28,136)	-	-
Manjulaben Jayantilal Marvania	1,80,399	(2,50,000)	-	-
Prashantkumar G. Changela	3,38,214	(2,33,706)	-	-
Rajan Girishkumar Changela	3,18,600	(2,20,153)	-	-
Jyotiben V. Changela	6,39,862	-	-	-
Vijaykumar V. Changela	3,39,024	(1,35,000)	9,00,000	-
Rasilaben D. Changela	4,79,129	(5,89,493)	-	-
Rinkuben Divyeshbhai Changela	3,29,954	(3,57,676)	-	-
Jayendrakumar Govindbhai Trambadia	15,671	(14,104)	-	-
Jayeshkumar Govindbhai Trambadia	30,250	(27,224)	-	-
Jitendrakumar Govindbhai Trambadia	29,320	-	-	-
Virdeep Engineering Pvt. Ltd.	-	-	-	7,175 (JE)
Virdeep Engineering Pvt. Ltd.	-	-	-	3,936 (JI)
Virdeep Engineering Pvt. Ltd.	-	-	-	1,471,786 (S)
Vijay Petroleum	-	-	-	65,716 (E)
			31-03-2017	31-03-2016
Dues from company under the same management / entities where KMP and relatives of KMP have significant influence :			Virdeep Engineering Pvt Ltd (Trade Rec.)	
			6,48,910	14,68,547.00

- 42 In the absence of information regarding outstanding dues of MICRO or Small Scale Industrial Enterprise(s) as per The Micro, Small & Medium Enterprise Development Act, the Company has not disclosed the same as required by Schedule III to the Companies Act,
- 43 Wherever no vouchers and documentary evidences were made available for our verification, we have relied on the authentication given by management of the company.
- 44 Figures have been rounded off to nearest rupee and have been regrouped, rearranged and reclassified wherever necessary.

Signature to Note No. 1 to 44

As per our report of even date attached

On behalf of the Board of Directors

FOR SVK & ASSOCIATES
Chartered Accountants
Firm Reg. No. 118564W

**FOR, VISHAL BEARINGS
LTD.**

Shilpang V. Karia
Partner
M. No. 102114

D. G. Changela
Managing Director
DIN : 00247302

H. G. Changela
Whole Time Director
DIN : 00247292

Place : Rajkot
Date : 30th May, 2017

Vishal V. Changela
Chief Financial Officer

Dimpi Sampat
Company Secretary



Attendance Slip

of 26th Annual General Meeting

VISHAL BEARINGS LIMITED
CIN: L29130GJ1991PLC016005

26TH ANNUAL GENERAL MEETING

Reg. Folio No./DP Id No./Client Id No.	
Name & Address	
Name(s) of Joint Member(s), if any	
No. of Shares held	

I/We certify that I/We am/are member(s)/Proxy for the member(s) of the Company.

I/We hereby record my/our presence at the 26th Annual General Meeting of the Company on Friday, September 29, 2017 at 4:00 PM at the registered office of the Company.

Signature of first Holders/Proxy/Authorised Representative

Signature of Joint Holder(s)

Notes:

1. Please sign this attendance slip and hand it over at the meeting venue.
 2. Only shareholders of the Company and/or their Proxy will be allowed to attend the Meeting.
-



Proxy Form

of 26th Annual General Meeting

VISHAL BEARINGS LIMITED

CIN: L29130GJ1991PLC016005

Form No. MGT-11

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

Name of the member(s) : _____
 Registered address : _____
 Email Id : _____
 Folio No/ Client Id : _____
 DP ID : _____

I/we, being the member(s) of _____ shares of the Vishal Bearings Limited, hereby appoint:

Name : _____
 Address : _____
 Email Id : _____
 Signature : _____ or failing him

Name : _____
 Address : _____
 Email Id : _____
 Signature : _____ or failing him

Name : _____
 Address : _____
 Email Id : _____
 Signature : _____

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 26th Annual General Meeting of the Company to be held on Friday, September 29, 2017 at Registered Office of the Company and at any adjournment thereof, in respect of such resolutions set out in the AGM Notice.

AFFIX REVENUE STAMP

Signed this _____ day of _____ 2017

Signature of Shareholder : _____

Signature of Proxy Holder(s) : _____

NOTE: This form in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.

Route Map

of 26th Annual General Meeting

VISHAL BEARINGS LIMITED

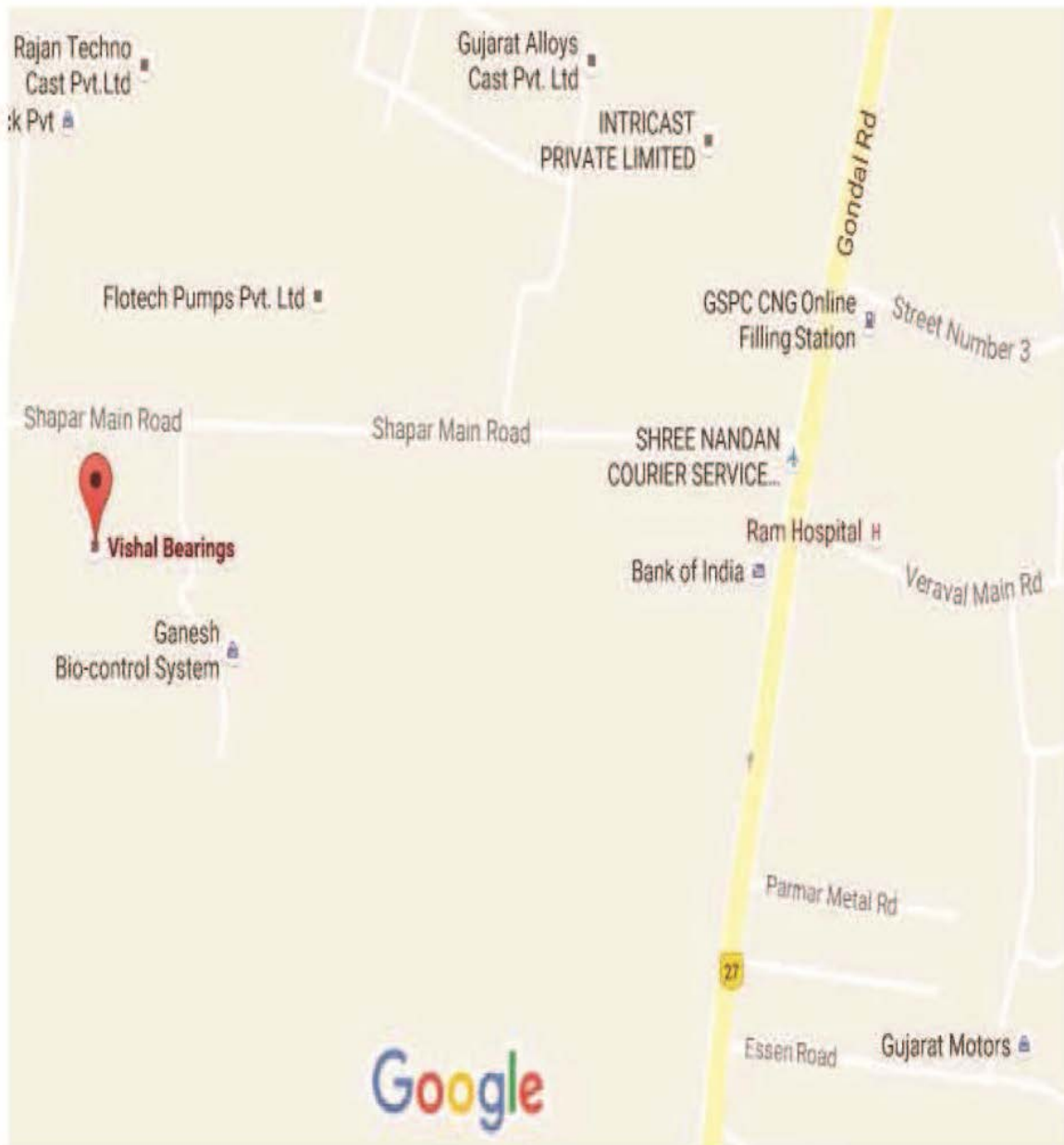
CIN: L29130GJ1991PLC016005

Regd. Office: Survey No. 22/1, Plot No.1,
Shapar Main Road, Shapar (Veraval), Dist.
Rajkot, Gujarat-360002, India.

Tel: 2827-252273, Fax: 2827-253087

Email: compliance@vishalbearings.com

Website: www.vishalbearings.com



VISHAL BEARINGS LIMITED

Registered Office:

Survey No.22/1, Plot No.1, Shapar Main Road, Shapar (Veraval),
Rajkot, Gujarat-360024, India

Tel : 02827 252273 Fax: 02827 253087

Email: compliance@vishalbearings.com

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