

# Annual Report 2018-2019



**Vishal Bearings Limited**

## COMPANY INFORMATION

### BOARD OF DIRECTORS

Mr. Dilipkumar Changela – Managing Director

Mr. Hiralal Changela – Whole time Director

Mr. Vrajlal Changela – Whole time Director

Mr. Rakesh Savani – Independent Director

Mr. Niteshkumar Patel – Independent Director

Mrs. Urja Gami – Independent Director

Mr. Divyesh Changela – Chief Executive Officer

Mr. Vishal Changela – Chief Financial Officer

Mr. Ketan Savaliya – Company Secretary

### REGISTERED OFFICE:

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

Tel: 2827-252273, Fax: 2827-253087

Email: legal@vishalbearings.com

Website: www.vishalbearings.com

### COMPANY IDENTIFICATION NO.

CIN: L29130GJ1991PLC016005

### STATUTORY AUDITOR

M/s. SVK & Associates

### BANKER

Kotak Mahindra Bank

HDFC Bank

State Bank of India

### PLANT - 1

Shapar Main Road, Shapar  
(Veraval),  
Rajkot-360024, Gujarat, India.

### PLANT - 2

SIDC Main Road, Veraval (Shapar),  
Rajkot-360024, Gujarat, India.

### REGISTRAR AND SHARE TRANSFER

#### AGENT:

Karvy Fintech Private Limited  
Plot No 31 & 32, Tower B, Karvy  
Selenium, Nr. Financial District,  
Nanakramguda, Gachibowli,  
Hyderabad - 500032, India.

### SECRETARIAL AUDITOR

M/s. K. P. Ghelani & Associates

### INTERNAL AUDITOR

M/s. P. Ghanshyam & Co.

## BASIS OF REPORTING

### Our approach to the adoption of Integrated Reporting <IR>

Integrated Report <IR> is fast emerging as a new corporate reporting platform and practice. <IR> enhances and enriches reporting primarily due to its (i) wider focus on creating value for all stakeholders and (ii) utilization and interlinkages of multiple capitals in the value creation process.

While <IR> is not yet statutorily mandated we, at Vishal Bearings Limited (Vishal), have voluntarily commenced our <IR> journey as part of our constant endeavor towards transparency and disclosures beyond statutory norms.

The Report embraces the holistic reporting approach as suggested by the International Integrated Reporting Council (IIRC) and the Securities and Exchange Board of India's (SEBI) circular dated 6th February, 2017.

### Reporting principle

The Report is prepared in line with the Companies Act, 2013 (and the Rules made thereunder), Indian Accounting Standards, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Secretarial Standards and IIRC's <IR> framework. The Report is compiled with the help of various internationally recognized framework and guidelines especially to present the non-financial data in a manner that is concise, comparable and enhances the value of the Report for the shareholders as well as other stakeholders.

### Reporting period, scope and boundary

The Report covers financial and non-financial information for the period 1st April, 2018 to 31st March, 2019. While the financial information has been audited by SVK & Associates, Chartered Accountants, the non-financial information are management estimates.

### Approach to materiality

The Report covers key material aspects that have been identified through various stakeholder engagements, their impact on the Company's value-creation process and how these are being addressed with a measurable target. This will assist stakeholders to take informed decisions regarding their engagement with the Company.



## CHAIRMAN MESSAGE

Dear stakeholders,

I write this letter with a sense of pride about how well your Company performed this year, not just in financial terms, but also in terms of what we accomplished for customers, employees, shareholders and communities across the world.

We will continually shape the Company, strategically choosing the businesses in which we compete, the areas of research in which we invest, and the geographies in which we build, to achieve the optimal configuration for success. Our decisions, actions and efforts will always be focused on reinforcing our commitment to create long-term value for our shareholders.

We truly believe that a satisfied customer is the best business strategy of all. Because, in their success lies our sustenance. We recognize the fact that it is the most difficult path to tread – for customer satisfaction is relative; as there can be no real measure for the intangible. Moreover, customer satisfaction is a dynamic parameter, it changes between customers and for the same customer, it changes between time periods. Despite these realities, we continue to stay focused on this course, for when a customer expresses satisfaction, it provides us with energy to achieve more.

Your Company has shown itself to be immensely entrepreneurial, agile, adaptive and innovative over the years, and these attributes will continue to serve it well in the years ahead.

Your Company's management has always been willing to take that extra step for maximizing shareholders' return. The Board of Directors of your Company has recommended and paid an Interim dividend of Re. 0.50 (5%) per equity share for the financial year 2018-19.

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.

The opportunities ahead are huge. By staying true to its mission and its values, and by continually investing in building newer capabilities, your Company is positioned well to become the foremost partner of choice to all forward-thinking enterprises in their growth and transformation journeys.

In order to support your Company's belief in sustainable development through harmonious economic growth, social inclusion and environment protection, your company has decided to adopt governance-based reporting.

On behalf of the Board of Directors of Vishal Bearings, I want to thank you for your continued trust, confidence, and support.

**Best Wishes,**  
**Hiralal Changela**  
Chairman



## FINANCIAL HIGHLIGHT

Financial Year	2019	2018	2017	2016	2015	2014
<b>SOURCES OF FUNDS</b> (Rs. in Lacs)						
Share capital	1079.10	599.50	599.50	479.60	25.00	25.00
Reserves	724.91	600.84	294.48	333.18	429.33	254.70
Shareholders' funds	1804.01	1200.34	893.98	812.78	454.33	279.70
Borrowings	2110.08	1900.18	1664.13	1550.98	1483.95	1187.75
Deferred tax liabilities (net)	58.27	57.96	63.72	70.50	62.38	51.18
<b>INCOME AND PROFITS</b> (Rs. in Lacs)						
Gross Sales	8053.83	5544.10	3306.13	2314.60	2720.00	2109.45
Profit before Tax	893.16	450.70	123.45	54.296	249.41	213.64
Profit after tax	639.80	342.43	81.19	34.45	174.00	151.11
Earnings per shares	5.93	5.71	1.36	0.65	696.04	604.48

### FUTURE PRIORITIES

Our Resources and Relationship drive our business initiatives. Our Strategy addresses the changing operating context with an evolved offering. Our Products help us imagine and engineer change and impact lives.

Quality excellence remains our consistent priority. We will continue to reinforce a culture of ownership and accountability in our teams to translate our vision into reality. Our strengthened distribution, domestic and export geographies are expected to extend reach and service excellence to address our customers' requirements. As a future-focused enterprise, our priorities comprise cost optimization, adopting digitization, and simplifying our operating architecture and process-bound operations.

Under the able guidance and direction of our strong and widely experienced Board, we will create a strengthened roadmap of profitability, expansion and brand repute. Human resource training and development remains a critical focus area for your Company; and we will continue to invest in upskilling our talent pool to realize our vision.

## Mission

"We understand the quality parameters demanded by leading OEMs and believing in the philosophy of prevention rather than detection. We consider Quality as the main tool to control every activity undertaken in the plant, right from sourcing of raw material to final products and to serve our customer in better way. On the basis of continuous experience & re-engineering approach the company's efforts are on going basis to maintain & improve the efficiency, which indirectly helps to improve the competitiveness to meet today's requirements of the customers."

## Vision

The Visionaries have helped in developing unique and indigenous way to manufacture bearing rollers of the finest quality and at the optimum cost. Because of its innovative technology which is recognized worldwide, the company has carved a niche for itself in the industry. With the help of all our experiences gained in the years so far we are able to give our customers a true 'VALUE FOR MONEY' advantage. Today we are proud to tell that we are among the very few suppliers of bearing rollers who provides finest quality with all in house process in India.



Vishal Bearings is moving with a high degree of dynamism and flexibility to emerge as an agile, responsive and service focused. Over the past years, we have explored a wide range of business opportunities, prioritized a few areas based on business potential and took concrete steps towards realizing the same. In the existing business, based on the factual analysis, we improved our understanding on the profitable products and markets, identified the key success factors in these markets and aligned our resources towards maximizing our win. The future looks very exciting as VBL has embarked on this journey of exponential growth. Operation excellence expanded offering and customer delight would our levers in sustaining this.

- Vishal Changela  
Chief Financial Officer

## Our Governance Framework

At Vishal, we believe that long-term sustainable value for our stakeholders can be created by embedding highest standards of corporate governance practices within the organization. Good governance is an intrinsic part of fiduciary responsibility of the Company, and the cornerstone of the Company's philosophy on corporate governance is accountability to stakeholders, transparency in operations and fairness to all stakeholders. We have a robust governance mechanism in place considering of policies and a Code of Conduct to govern the actions of the Board and Executives in line with governance best practices. We firmly believe that Corporate Governance means commitment for achievement of value-based growth and meeting the commitment without compromising with ethical standards, and this belief is perpetuated across the organization.

## Governance Structure

The Board of Vishal Bearings Limited comprises a total 6 Directors, with 3 executive Directors and 3 Non-Executive Independent Directors including 1 Woman independent director, 1 Chief Financial Officer and 1 Chief Executive Officer, thereby ensuring that the requirements of the Company's Act are adhered with. The Board meets regularly to review strategic, operational and financial matters and has a formal schedule of matters reserved for its decision. The Board of Directors, if required and appropriate, delegate their authority to Directors who head various committees. For more details on their functions, membership and activities during the current Fiscal, please refer to the Corporate Governance Report.

*The only limits you have are the ones you place on yourself*

*At Vishal Bearings, we prefer stepping out of our comfort zones; moving away from our past laurels and going well beyond what's existent, to find out more of what's possible.*

*And that is exactly what we have been doing.*

*We have gone beyond to seek new alliances, find new opportunities, innovate new products, utilise new technologies and thereby we have gone beyond simply existing as a growing company and towards making our growth sustainable for years to come.*

*Because when it comes to performance, success and creating value – we prefer not putting any limits, whatsoever.*



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### 28<sup>th</sup> Annual General Meeting

Date : September 28,  
2019

Day : Saturday

Time : 04.00 P.M.

Venue : Registered Office

### Important Communication to Members

Ministry of Corporate Affairs had announced "green initiatives in the Corporate Governance" and permitted companies to service notices/documents including Annual Report to the Members of the company on their email addresses.

All those shareholders who have not yet registered their email ids are requested to register their email ids with NSDL/CDSL or our RTA

**We believe  
Respect, Trust, Ownership and integrated Teamwork  
lead to Business Success.**

## BOARD OF DIRECTORS' REPORT

Dear Members,

The Directors have pleasure in presenting their 28<sup>th</sup> Annual Report and Audited Financial Statements for year ended 31<sup>st</sup> March, 2019.

### FINANCIAL SUMMARY AND HIGHLIGHTS:

A summary of the Company's financial results for the Financial Year 2018-19 is as under:

Financial Particulars	For the year ended March 31	
	2019	2018
Revenue from operations	80,53,83,819	55,44,10,928
Other Incomes	48,32,239	1,05,66,111
<b>Total revenues</b>	<b>81,02,16,058</b>	<b>56,49,77,039</b>
Cost of Material consumed	53,48,12,097	33,30,18,460
Changes in Inventory	(5,38,65,585)	83,96,798
Employee Benefit expense	8,64,99,726	6,23,75,314
Finance Costs	3,36,48,536	2,53,49,247
Depreciation and amortization expense	3,21,88,788	2,77,10,247
Other expenses	8,76,16,019	6,30,56,174
<b>Total Expenses</b>	<b>72,08,99,581</b>	<b>51,99,06,240</b>
Profit before tax	8,93,16,476	4,50,70,799
Tax expense	(2,53,35,648)	(1,08,27,384)
<b>Profit for the year</b>	<b>6,39,80,828</b>	<b>3,42,43,415</b>

### STATE OF COMPANY AFFAIRS:

The total **turnover** for the financial year under review was **Rs. 81.02 Crore** (previous year Rs. 56.49 Crore) and **Net Profit after Tax of Rs. 6.39 Crore** (previous year Rs. 3.42Crore).

Your Company is positive about its short term and medium-term business outlook. We will continue to pursue growth strategy in customized as well as high volume product business. Leveraging our customer and application expertise, we will provide added value to our customers. At the same time, we will accelerate implementation of our operational excellence strategy to systematically build on long term competitive advantage in the business.

### DIVIDEND:

Pursuant to Regulation 43A of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("Listing Regulations"), the Board has approved and adopted a Dividend Distribution Policy for the last financial Year.

During the year under review, the Company as on January 03, 2019 declared interim dividend of 5% per equity share (i.e. 50 Paise per share) amounting to 29,97,500/- payable to the members as per the Register of Members as on book closure dates. The Company will pay the Tax on dividend as per the provisions of the Income Tax Act, 1961.

The Directors have not recommended any final dividend and decided that the interim dividend be treated as final.

Your Company is in compliance with its Dividend Distribution policy as approved by the Board.

**ISSUE OF BONUS EQUITY SHARES:**

The Board of Directors at their meeting held on January 18, 2019, recommended issue of bonus equity shares, in the proportion of 4:5, i.e. 4 (Four) bonus equity share of Rs. 10/- each for every 5 (Five) fully paid-up equity shares held as on the Record Date fixed for this purpose March 04, 2019. The said bonus issue was approved by the Members of the Company vide resolution dated February 23, 2019.

4,796,000 bonus shares were allotted to the Members whose names appeared on the register of members as on March 04, 2019, being the record date fixed for this purpose.

**SHARE CAPITAL:**

The paid-up Equity Share Capital as at March 31, 2019 stood at Rs. 10.79 crore. During the year under review, the Company has issued Bonus issue shares to the existing shareholders of the company As on March 31, 2019. None of the Directors of the Company hold instruments convertible into Equity Shares of the Company.

**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, 2019, 100% of the share capital of the company is dematerialized.

**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:**

Other than stated elsewhere in this report, there are no material changes and commitments affecting the financial position of the Company between the end of the financial year and the date of this report.

**CAPITAL EXPENDITURE:**

As at 31st March 2019 the gross property, plant and equipment, investment property and other intangible assets stood at Rs. 35.46 crore and the net property, plant and equipment, investment property and other intangible assets of Rs.17.86 crore. Capital Expenditure during the year amounted to Rs.4.07 crore.

**DIRECTORS AND KEY MANAGERIAL PERSONNEL (KMP):**

Pursuant to provisions of Sections 2(51) and 203 of Companies Act, 2013 read with Rule 8 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 following persons are acting as directors and Key Managerial Personnel of the Company:

<u>1.</u>	<u>Managing Director</u>	<u>Mr. Dilipkumar Changela</u>
<u>2.</u>	<u>Whole time director</u>	<u>Mr. Hiralal Changela</u>
<u>3.</u>	<u>Whole time director</u>	<u>Mr. Vrajlal Changela</u>
<u>4.</u>	<u>Chief Financial Officer</u>	<u>Mr. Vishal Changela</u>

5.	<u>Chief Executive Officer</u>	<u>Mr. Divyesh Changela</u>
6.	<u>Company Secretary</u>	<u>Ms. Dimpi Sampat*</u>
7.	<u>Company Secretary</u>	<u>Mr. Ketankumar Savaliya*</u>

- \* Ms. Dimpi Sampat has resigned as a Company Secretary of the Company with effect from May 14, 2019.
- \* The Company has appointed Mr. Ketankumar Savaliya, as a Company Secretary of the Company with effect from July 05, 2019.

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 28<sup>th</sup> Annual General Meeting.

#### **MEETINGS OF THE BOARD:**

A calendar of Meetings is prepared and circulated in advance to the Directors. During the year, Six (06) meetings of Board were convened and held, the details are given in the Corporate Governance Report. The intervening gap between the Meetings was within the period prescribed under the Companies Act, 2013 and Regulation 17(2) of the SEBI Regulations.

#### **DIRECTOR'S RESPONSIBILITY STATEMENT:**

The Board of Directors of the Company confirms:

- 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 judgments' and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year 31<sup>st</sup> March, 2018 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.

#### **DECLARATION OF INDEPENDENCE:**

The Company has received Declarations of Independence as stipulated under Section 149(7) of the Companies Act, 2013 from Independent Directors confirming that he/she is not disqualified from appointing/continuing as Independent Director. The Independent Directors have complied with the Code for Independent Directors prescribed in Schedule IV to the Companies Act, 2013.

#### **AUDIT COMMITTEE:**

The Company has in place an Audit Committee in terms of the requirements of the Companies Act, 2013 read with the rules made there under and Regulation 18 of the SEBI (Listing Obligations & Disclosure 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 has in place a Nomination and Remuneration Committee in accordance with the requirements of the Companies Act, 2013 read with the rules made there under and Regulation 19 of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015. Composition of Nomination and Remuneration Committee is given in Corporate Governance Report.

The Committee has formulated a policy on Directors' appointment and remuneration including recommendation of remuneration of the key managerial personnel and other employees, composition and the criteria for determining qualifications, positive attributes and independence of a Director.

#### **SHAREHOLDER'/INVESTORS RELATIONSHIP COMMITTEE:**

The Company has in place a Nomination and Remuneration Committee in accordance with the requirements of the Companies Act, 2013 read with the rules made there under and Regulation 20 of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015. Composition of Shareholder'/Investors Relationship Committee is given in Corporate Governance Report.

#### **PERFORMANCE EVALUATION OF THE BOARD, ITS COMMITTEES, DIRECTORS AND CHAIRMAN:**

The Nomination & Remuneration Committee and the Board have laid down the manner in which formal annual evaluation of the performance of the Board, committees, individual directors and the Chairman has to be made. All Directors responded through a structured questionnaire giving feedback about the performance of the Board, its Committees, Individual directors and the Chairman.

For the year under review, the questionnaire was modified suitably, based on the comments and suggestions received from Independent Directors. As in the previous years, an external consultant was engaged to receive the responses of the Directors and consolidate/ analyze the responses.

The Board Performance Evaluation inputs, including areas of improvement, for the Directors, Board processes and related issues for enhanced Board effectiveness were discussed in the meeting of the Independent Directors held on March 09, 2019 and in the subsequent Meetings of Nomination and Remuneration Committee and the Board. The Group Chairman had a discussion with all the Independent Directors individually and the Chairman of Nomination and Remuneration Committee had a discussion with all the Executive Directors individually.

#### **ENHANCING SHAREHOLDERS' VALUE:**

Your Company believes in the importance of its Members who are among its most important stakeholders. Accordingly, your Company's operations are committed to the goal of achieving high levels of performance and cost effectiveness, growth building, enhancing the productive asset and resource base and nurturing overall corporate reputation. Your Company is also committed to creating value for its stakeholders by ensuring that its

corporate actions have positive impact on the socio-economic and environmental growth and development.

**COMPLIANCE WITH SECRETARIAL STANDARDS ON BOARD AND GENERAL MEETINGS:**

The Company has complied with Secretarial Standards issued by the Institute of Company Secretaries of India on Board Meetings and General Meetings.

**ENVIRONMENT, HEALTH AND SAFETY:**

The Company is conscious of the importance of environmentally clean and safe operations. The Company's policy requires conduct of operations in such a manner so as to ensure safety of all concerned, compliances of environmental regulations and preservation of natural resources.

**HUMAN RESOURCE MANAGEMENT:**

At Vishal, we focus on the workplace of tomorrow that promotes a collaborative, transparent and participative organization culture, encourage innovation, and rewards individual contribution. The focus of human resources management at Vishal is to ensure that we enable each and every employee to navigate the next, not just for clients, but also for themselves. We have re-imagined our employee value proposition, to make it more meaningful to our employees.

**PARTICULARS OF EMPLOYEES (STATEMENT OF DISCLOSURE OF REMUNERATION):**

Information required pursuant to Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is provided as Annexure I to this report.

**PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES:**

The Audit Committee and the Board of Directors have approved the Related Party Transactions Policy, signifying the threshold limits and The Company has a process in place to periodically review and monitor Related Party Transactions.

All the related party transactions were in the ordinary course of business and at arm's length. The Audit Committee has approved all related party transactions for the FY 2018-19 and estimated transactions for FY 2019-20. Particulars of contracts or arrangements with related parties on arm's length basis referred to in Section 188(1) of the Companies Act, 2013, in the prescribed Form AOC-2 is provided as Annexure II to this report.

There were no materially significant related party transactions that may have conflict with the interest of the Company.

**AUDIT REPORT:**

The Auditors' report to the shareholders does not contain any qualification, observation or adverse comment.

**SECRETARIAL AUDIT REPORT:**

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed M/s. K. P. Ghelani & Associates, Practicing Company Secretaries, to conduct Secretarial Audit of the Company. The Report of the Secretarial Audit in Form MR-3 for the financial year ended March 31, 2019 is annexed to this report. There are no qualifications, reservations or adverse remarks made by the Secretarial Auditor in his report.

The observation of the Secretarial Auditor is self-explanatory.

#### **STATUTORY AUDITORS:**

In accordance with the provisions of Companies Act, 2013, M/s. SVK & Associates, Chartered Accountant, Rajkot (Firm Registration No. 118564W) was appointed as Statutory Auditor for a period of 5 continuous years from the conclusion of 25th Annual General Meeting till the conclusion of 30th Annual General Meeting of the Company.

The Auditors have confirmed that they have subjected themselves to the peer review process of Institute of Chartered Accountants of India (ICAI) and hold valid certificate issued by the Peer Review Board of the ICAI.

The Auditors have also furnished a declaration confirming their independence as well as their arm's length relationship with the Company as well as declaring that they have not taken up any prohibited non-audit assignments for the Company.

The Audit Committee reviews the independence and objectivity of the Auditors and the effectiveness of the Audit process.

#### **COST RECORDS AND COST AUDIT:**

Maintenance of cost records and requirement of cost audit as prescribed under the provisions of section 148(1) of the Companies Act, 2013 are applicable for the business activities carried out by the Company. Your company has not applied to cost audit during the financial year FY 2018-19.

#### **INTERNAL AUDIT:**

An Internal Audit was conducted during the year by the Internal Auditor M/s. P. Ghanshyam & Co., Chartered Accountants, appointed as Internal Auditor for the year 2018-19.

#### **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. As on March 31, 2019 there are no fixed deposits with the Company.

Pursuant to the Ministry of Corporate Affairs (MCA) notification dated 22nd January 2019 amending the Companies (Acceptance of Deposits) Rules, 2014, the Company is required to file with the Registrar of Companies (ROC) requisite returns in Form DPT-3 for outstanding receipt of money/loan by the Company, which is not considered as deposits.

The Company would be complying with this requirement within the prescribed timelines.

#### **REPORTING OF FRAUD:**

The Auditors of the Company have not reported any instances of fraud committed against the Company by its officers or employees as specified under Section 143(12) of the Companies Act, 2013.

#### **PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS:**

Details of investments and inter corporate deposits made by the Company, are given in the notes to the Financial Statements. During the year under review, your Company did not give any other loans or guarantees, provide any security or made any Investments as covered under Section 186 of the Companies Act, 2013, other than as disclosed above.

#### **CODE FOR PREVENTION OF INSIDER TRADING:**

On December 31, 2018, Securities and Exchange Board of India amended the Prohibition of Insider Trading Regulations, 2015, prescribing various new requirements with effect from April 1, 2019. In line with the amendments, your Company has adopted an amended Code of

Conduct to regulate, monitor and report trading by Designated Persons and their Immediate Relatives under the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015.

#### **ADEQUACY OF INTERNAL FINANCIAL CONTROLS:**

The Company has designed and implemented a process driven framework for Internal Financial Controls (“IFC”) within the meaning of the explanation to Section 134(5) (e) of the Companies Act, 2013. For the year ended 31st March 2019, the Board is of the opinion that the Company has sound IFC commensurate with the nature and size of its business operations and operating effectively and no material weakness exists. The Company has a process in place to continuously monitor the same and identify gaps, if any, and implement new and/or improved controls wherever the effect of such gaps would have a material effect on the Company’s operations.

#### **MSME:**

The Ministry of Micro, Small and Medium Enterprises vide their Notification dated 2<sup>nd</sup> November 2018 has instructed all the Companies registered under the Companies Act, 2013, with a turnover of more than Rupees Five Hundred crore to get themselves on boarded on the Trade Receivables Discounting system platform (TReDS), set up by the Reserve Bank of India. The Company is not covered under the above Criteria as mentioned in MSME.

#### **VIGIL MECHANISM:**

As per the provisions of Section 177(9) of the Companies Act, 2013 (‘Act’), the Company is required to establish an effective Vigil Mechanism for directors and employees to report genuine concerns.

The Company has a Whistle-blower Policy in place since 2015 to encourage and facilitate employees to report concerns about unethical behavior, actual/ suspected frauds and violation of Company’s Code of Conduct or Ethics Policy. The Policy has been suitably modified to meet the requirements of Vigil Mechanism under the Companies Act, 2013. The policy provides for adequate safeguards against victimization of persons who avail the same and provides for direct access to the Chairperson of the Audit Committee. The policy also establishes adequate mechanism to enable employees report instances of leak of unpublished price sensitive information. The Audit Committee of the Company oversees the implementation of the Whistle-Blower Policy.

During the year, no person has been declined access to the Audit Committee, wherever desired.

#### **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.

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

The Company has in place a Policy against Sexual Harassment at workplace in line with the requirement of Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. Complaints Committee has been set-up to redress complaints received regarding sexual harassment. All employees (permanent, contractual, temporary and trainees) are covered under this policy. No complaints were received by the Committee during the year.



**DETAILS OF SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS:**

During the year under review, there were no material and significant orders passed by the regulators or courts or tribunals impacting the going concern status and the Company's operations in future.

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

Information as required to be given under Section 134(3) (m) read with Rule 8(3) of the Companies (Accounts) Rules, 2014 is provided in Annexure 'III' forming part of this Board Report.

**CORPORATE SOCIAL RESPONSIBILITY INITIATIVE:**

The Company is covered under the Criteria as mentioned in Section 135 of the Companies Act, 2013. Your company is in process of constituting the Corporate Social Responsibility Committee.

**EXTRACT OF ANNUAL RETURN:**

As per the provisions of Section 92(3) of the Companies Act, 2013, an extract of the Annual Return in Form MGT-9 is attached as Annexure to this Report.

**CORPORATE GOVERNANCE:**

Pursuant to SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, a Report on Corporate Governance is enclosed as integral part of the Annual Report.

**MANAGEMENT DISCUSSION AND ANALYSIS:**

Your Directors also wish to place on record their deep sense of appreciation for the committed Services by the Company's executives, staff and workers.

**ACKNOWLEDGEMENT:**

Your Directors take this opportunity to thank the customers, supply chain partners, employees, Financial Institutions, Banks, Central and State Government authorities, Regulatory authorities, Stock Exchanges and all the various stakeholders for their continued co-operation and support to the Company. Your Directors also wish to place on record their deep sense of appreciation for the committed services by the Company's executives, staff and workers.

**For and on behalf of the Board of Directors**

**Dilipkumar Changela**  
**Managing Director**  
**DIN: 00247302**

**Date:** 27.08.2019

**Place:** Shapar, Rajkot

**FORM NO. MGT 9**  
**EXTRACT OF ANNUAL RETURN**  
**AS ON FINANCIAL YEAR ENDED ON 31.03.2019**

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

<b>I. REGISTRATION &amp; OTHER DETAILS:</b>		
1	CIN	L29130GJ1991PLC016005
2	Registration Date	24 July 1991
3	Name of the Company	<b>VISHAL BEARINGS LIMITED</b>
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-02. Tel: +91 2827-252273, E-Mail Id: legal@vishalbearings.com Website: vishalbearings.com
6	Whether listed company	Yes
7	Name, Address & contact details of the Registrar & Transfer Agent, if any.	<b>Karvy Fintech Private Limited</b> karvy Selenium Tower B, Plot No.31 & 32, Financial, District, Nanakramguda, Gachibowli, Hyderabad-500032, Telengana, India. Tel: +91 40-67162222 Fax: +91 40-23431551 E-Mail Id: vasanth.g@karvy.com Website: www.karvyfintech.com

<b>II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY</b>			
---------------------------------------------------------	--	--	--

(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

<b>III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES</b>					
------------------------------------------------------------------------	--	--	--	--	--

SN	Name and address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
1	N.A.				

**IV.SHAREHOLDING 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 01-April-2018]				No. of Shares held at the end of the year [As on 31-March-2019]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>									
<b>(1) Indian</b>									
a) Individual/ HUF	36,59,334	-	36,59,334	61.04%	42,21,025	-	42,21,025	70.41	9.37%
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%
<b>Sub Total (A) (1)</b>	<b>36,59,334</b>	<b>-</b>	<b>36,59,334</b>	<b>61.04%</b>	<b>42,21,025</b>	<b>-</b>	<b>42,21,025</b>	<b>70.41</b>	<b>9.37%</b>
<b>(2) Foreign</b>									
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%
<b>Sub Total (A) (2)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.00%</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.00%</b>	<b>0.00%</b>
<b>TOTAL (A)</b>	<b>36,59,334</b>	<b>-</b>	<b>36,59,334</b>	<b>61.04%</b>	<b>4221025</b>	<b>-</b>	<b>4221025</b>	<b>70.41</b>	<b>9.37%</b>
<b>B. Public Shareholding</b>									
<b>1. Institutions</b>									
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.	-	-	-	0.00%	-	-	-	0.00%	0.00%
e) VC 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 VC Funds	-	-	-	0.00%	-	-	-	0.00%	0.00%
i) Others (specify)	-	-	-	0.00%	-	-	-	0.00%	0.00%
<b>Sub-total (B)(1):</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.00%</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.00%</b>	<b>0.00%</b>
<b>2. Non-Institutions</b>									
a) Bodies									

Corp.									
i) Indian	-	-	-	0.00%	-	-	-	0.00%	0.00%
ii) Overseas	-	-	-	0.00%	-	-	-	0.00%	0.00%
b) Individuals	-	-	-	0.00%	-	-	-	0.00%	0.00%
i) Individual shareholders holding Nominal Share Capital upto Rs. 2 lakh	8,13,967	-	8,13,967	13.58%	714374	-	714374	11.92%	-01.66%
ii) Individual shareholders holding Nominal Share Capital in excess of Rs. 2 lakh	14,46,900	-	14,46,900	24.14%	994350	-	994350	16.59%	-07.55%
c) Others (specify)	74,799	-	74,799	1.25%	65251	-	65251	1.09%	-00.16%
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 – DR	-	-	-	0.00%	-	-	-	0.00%	0.00%
<b>Sub-total (B)(2)</b>	<b>23,35,666</b>	<b>-</b>	<b>23,35,666</b>	<b>38.96%</b>	<b>1773975</b>	<b>-</b>	<b>1773975</b>	<b>29.59%</b>	<b>-9.37%</b>
<b>Total Public (B)</b>	<b>23,35,666</b>	<b>-</b>	<b>23,35,666</b>	<b>38.96%</b>	<b>1773975</b>	<b>-</b>	<b>1773975</b>	<b>29.59%</b>	<b>-9.37%</b>
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.00%</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.00%</b>	<b>0.00%</b>
<b>Grand Total (A+B+C)</b>	<b>59,95,000</b>	<b>-</b>	<b>59,95,000</b>	<b>100.00%</b>	<b>59,95,000</b>	<b>-</b>	<b>59,95,000</b>	<b>100.00%</b>	<b>0.00%</b>

**Notes:** The Paid-Up Share capital increase from Rs. 59,95,000 to Rs. 10,79,10,000 with issue of 47,96,000 Bonus shares as on dated March 09, 2019. However approval of BSE is pending as on March 31, 2019.

**(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	6,47,500	10.80%		6,66,250			

	G. Changela			-		11.11%	-	00.31
2	Mr. Dilipkumar G. Changela	6,47,500	10.80%	-	6,62,500	11.05%	-	00.25
3	Mr. Vrajlal G. Changela	6,47,500	10.80%	-	6,55,000	10.93%	-	00.13

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

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	
<b>Mr. Hiralal G. Changela</b>							
At the beginning of the year	01.04.2018		6,47,500	10.80%	6,47,500	10.80%	
Changes during the year	Open Market		18,750	00.31	6,66,250	11.11%	
At the end of the year	31.03.2019		6,66,250	11.11%	6,66,250	11.11%	
<b>Mr. Dilipkumar G. Changela</b>							
At the beginning of the year	01.04.2018		6,47,500	10.80%	6,47,500	10.80%	
Changes during the year	Open Market		15,000	00.25	6,62,500	11.05%	
At the end of the year	31.03.2019		6,62,500	11.05%	6,62,500	11.05%	
<b>Mr. Vrajlal G. Changela</b>							
At the beginning of the year	01.04.2018		6,47,500	10.80%	6,47,500	10.80%	
Changes during the year	Open Market		7,500	00.13	6,55,000	10.93%	
At the end of the year	31.03.2019		6,55,000	10.93%	6,55,000	10.93%	

**(iv) Shareholding pattern of the top ten shareholders**

(other than Directors, Promoters and Holders of GDRs and ADRs):

SN	Particulars	Date	Reason	Shareholding at the beginning/ended of the year		Cumulative Shareholding during the year	
				No. of shares	% of total shares	No. of shares	% of total shares
1	<b>Darshit D. Changela</b>						
	At the beginning of the year	01.04.2018		2,23,475	3.73%	2,23,475	3.73%
	Changes during the year	open market		22,500	0.00%	2,45,975	4.10%
	At the end of the year	31.03.2019		2,45,975	4.10%	2,45,975	4.10%
2	<b>Girishkumar G. Changela</b>						
	At the beginning of the year	01.04.2018		2,17,500	3.63%	2,17,500	3.63%
	Changes during the year	-		-	-	-	-
	At the end of the year	31.03.2019		2,17,500	3.63%	2,17,500	3.63%
3	<b>Jayana G. Changela</b>						
	At the beginning of the year	01.04.2018		2,17,500	3.63%	2,17,500	3.63%
	Changes during the year	-		-	-	-	-
	At the end of the year	31.03.2019		2,17,500	3.63%	2,17,500	3.63%
4	<b>Rinkuben D. Changela</b>						
	At the beginning of the year	01.04.2018		2,05,000	3.42%	2,05,000	3.42%
	Changes during the year	-		-	-	-	-
	At the end of the year	31.03.2019		2,05,000	3.42%	2,05,000	3.42%
5	<b>Vishal V. Changela</b>						
	At the beginning of the year	01.04.2018		2,03,000	3.39%	2,03,000	3.39%

	Changes during the year	-		-	-	-	-
	At the end of the year	31.03.2019		2,03,000	3.39%	2,03,000	3.39%
6	<b>Jayshriben H. Changela</b>						
	At the beginning of the year	01.04.2018		1,66,250	2.77%	1,66,250	2.77%
	Changes during the year	-		-	-	-	-
	At the end of the year	31.03.2019		1,66,250	2.77%	1,66,250	2.77%
7	<b>Rasilaben D. Changela</b>						
	At the beginning of the year	01.04.2018		1,66,250	2.77%	1,66,250	2.77%
	Changes during the year	-		-	-	-	-
	At the end of the year	31.03.2019		1,66,250	2.77%	1,66,250	2.77%
8	<b>Jyotiben V. Changela</b>						
	At the beginning of the year	01.04.2018		1,66,250	2.77%	1,66,250	2.77%
	Changes during the year	-		-	-	-	-
	At the end of the year	31.03.2019		1,66,250	2.77%	1,66,250	2.77%
9	<b>Falguniben P. Vasani</b>						
	At the beginning of the year	01.04.2018		1,42,500	2.38%	1,42,500	2.38%
	Changes during the year	Open Market		11,250	0.19%	1,53,750	2.56%
	At the end of the year	31.03.2019		1,53,750	2.56%	1,53,750	2.56%
10	<b>Paresh P. Vasani</b>						
	At the beginning of the year	01.04.2018		1,46,250	2.44%	1,46,250	2.44%
	Changes during the year	-		-	-	-	-
	At the end of the year	31.03.2019		1,46,250	2.44%	1,46,250	2.44%

**(iv) Shareholding of Directors and Key Managerial Personnel**

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
1	<b>Hiralal G. Changela - Whole time Director</b>						
	At the beginning of the year	01.04.2018		6,47,500	10.80%	6,47,500	10.80%
	Changes during the year	Open Market		18,750	00.31%	6,66,250	11.11%
	At the end of the year	31.03.2019		6,66,250	11.11%	6,66,250	11.11%
2	<b>Dilipkumar G. Changela - Managing Director</b>						
	At the beginning of the year	01.04.2018		6,47,500	10.80%	6,47,500	10.80%
	Changes during the year	Open Market		15,000	00.25%	6,62,500	11.05%
	At the end of the year	31.03.2019		6,62,500	11.05%	6,62,500	11.05%
3	<b>Vrajlal G. Changela - whole time Director</b>						
	At the beginning of the year	01.04.2018		6,47,500	10.80%	6,47,500	10.80%
	Changes during the year	Open Market		7,750	00.13%	6,55,000	10.93%
	At the end of the year	31.03.2019		6,55,000	10.93%	6,55,000	10.93%
4	<b>Vishal V. Changela - CFO</b>						
	At the beginning of the year	01.04.2018		2,03,000	3.39%	2,03,000	3.39%
	Changes during the year	-		-	-	-	-
	At the end of the year	31.03.2019		2,03,000	3.39%	2,03,000	3.39%
5	<b>Rakesh Savani - Independent Director</b>						
	At the beginning of the year	01.04.2018		-	-	-	-
	Changes during the year	-		-	-	-	-

	At the end of the year	31.03.2019		-	-	-	-
6	<b>Niteshkumar Patel – Independent Director</b>						
	At the beginning of the year	01.04.2018		-	-	-	-
	Changes during the year	-		-	-	-	-
	At the end of the year	31.03.2019		-	-	-	-
7	<b>Urja Gami – Independent Director</b>						
	At the beginning of the year	01.04.2018		-	-	-	-
	Changes during the year	-		-	-	-	-
	At the end of the year	31.03.2019		-	-	-	-

**V. INDEBTEDNESS**

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

(Amt. in Rs.)

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	5,57,85,918/-	19,00,18,376/-	-	24,58,04,294/-
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	<b>5,57,85,918/-</b>	<b>19,00,18,376/-</b>	<b>-</b>	<b>24,58,04,294/-</b>
<b>Change in Indebtedness during the financial year</b>				
* Addition	66,587,929/-	2,09,90,144/-	-	8,75,78,073/-
* Reduction	-	-	-	-
<b>Net Change</b>	<b>66,587,929/-</b>	<b>2,09,90,144/-</b>	<b>-</b>	<b>8,75,78,073/-</b>
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	12,23,73,847/-	21,10,08,520/-	-	33,33,82,367/-
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	<b>12,23,73,847/-</b>	<b>21,10,08,520/-</b>	<b>-</b>	<b>33,33,82,367/-</b>

**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 (Rs/Lac)
	Name	Dilipkumar G. Changela	Hiralal G. Changela	Vrajlal G. Changela	
	Designation	MD	WTD	WTD	
1	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	25,00,000.00	25,00,000.00	25,00,000.00	75,00,000.00

	(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	-	-	-	-
	<b>Total</b>	<b>25,00,000.00</b>	<b>25,00,000.00</b>	<b>25,00,000.00</b>	<b>75,00,000.00</b>

### B. Remuneration to other Directors

SN.	Particulars of Remuneration	Name of Director			Total Amount (Rs/Lac)
		Mr. Rakesh Savani	Mr. Urja Gami	Mr. Niteshkumar Patel	
1	Independent Directors				
	Fee for attending board committee meetings	12,000	12,000	12,000	36,000
	Commission	-	-	-	-
	Others, please specify	-	-	-	-
	<b>Total (1)</b>	<b>12,000</b>	<b>12,000</b>	<b>12,000</b>	<b>36,000</b>
2	Other Non-Executive Directors				
	Fee for attending board committee meetings	-	-	-	-
	Commission	-	-	-	-
	Others, please specify	-	-	-	-
	<b>Total (2)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total (B)=(1+2)</b>		<b>12,000</b>	<b>12,000</b>	<b>12,000</b>	<b>36,000</b>
<b>Total Managerial Remuneration (A+B)</b>					<b>36,000</b>

### 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. Vishal Changela	Ms. Dimpri Sampat	
		Designation		
1	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	18,00,000	1,08,000	19,08,000
	(b) Value of perquisites u/s 17(2)	-	-	-
	(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	-	-	-
	<b>Total</b>	<b>18,00,000</b>	<b>1,08,000</b>	<b>19,08,000</b>

**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)
<b>A. COMPANY</b>					
Penalty			NIL		
Punishment					
Compounding					
<b>B. DIRECTORS</b>					
Penalty			NIL		
Punishment					
Compounding					
<b>C. OTHER OFFICERS IN DEFAULT</b>					
Penalty			NIL		
Punishment					
Compounding					

By Order of The Board of Directors  
Vishal Bearings Limited

**Date:** 27.08.2019  
**Place:** Shapar, Rajkot

**Dilipkumar Changela**  
Managing Director  
DIN: 00247302

**FORM NO. MR-3**  
**SECRETARIAL AUDIT REPORT**  
**FOR THE FINANCIAL YEAR ENDED 31ST MARCH 2019**

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

The Members,  
**VISHAL BEARINGS LIMITED**  
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 31<sup>ST</sup> March, 2019 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

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

- i) The Companies Act, 2013 (the Act) and the rules made there under;
- ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
- iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under 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, 2018;
  - 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) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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 having regard to the compliance system prevailing in the Company and on the review of quarterly compliance reports taken on record by the Board of Directors and on examination of the relevant documents and records in pursuance thereof, on test-check basis, the Company has complied with the labor and environmental laws as applicable.

I further report that the compliance by the Company of applicable financial laws, like direct and indirect tax laws, has not been reviewed in this Audit since the same has been subject to review by statutory financial auditor and other designated professionals.

I further report that:

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors, Independent Directors and Women Director. There are no changes in the composition of the Board of Directors during the period under review.

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

Majority decision 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 March 09, 2019 allotted Bonus share of 4,496,000 in ratio of 4 New Fully paid up Equity shares of Rs. 10 each for every 5 Equity shares of Rs. 10 each.

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

**Date:** May 29, 2019

**Place:** Rajkot

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

## ANNEXURE I

### STATEMENT OF DISCLOSURE OF REMUNERATION

**Pursuant to Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014**

<b>(I)</b>	The remuneration of each Director of the company for the financial year:		
<b>Sr. No.</b>	<b>Name</b>	<b>Designation</b>	<b>Remuneration for the F.Y. 2018-2019 (In Rs.)</b>
1	Mr. Hiralal G. Changela	Whole time director	25,00,000
2	Mr. Dilipkumar G. Changela	Managing Director	25,00,000
3	Mr. Vrajlal G. Changela	Whole time director	25,00,000
<b>(II)</b>	The increase in salary/Remuneration of each Director, CEO, CFO, Company Secretary or Manager, if any, in the financial year:		
<b>Sr. No.</b>	<b>Name</b>	<b>Designation</b>	<b>Salary/Remuneration for the F.Y. 2018-2019 (In Rs.)</b>
1	Mr. Rakesh Savani	Independent Director	-
2	Mr. Niteshkumar Patel	Independent Director	-
3	Mrs. Urja Gami	Independent Director	-
4	Mr. Vishal V. Changela	CFO	18,00,000
5	Mr. Divyesh H. Changela	CEO	18,00,000
6	Ms. Dimpri Sampat	CS	1,08,000
7	Mr. Darshit D. Changela	Manager	18,00,000
8	Mr. Vijay V. Changela	Manager	18,00,000
<b>(III)</b>	The remuneration paid to Non – Executive Directors which includes sitting fees is to their attendance in Board and Committee Meetings.		
<b>(IV)</b>	the number of permanent employees on the rolls of company;	170 employees as on 31.03.2019	
<b>(V)</b>	the explanation on the relationship between increase in remuneration and company performance;	Increase in remuneration of key managerial personnel for the year 2019 which is partly based on the results of the Company for the year ended 31.03.2019 and partly on the individual performance.	
<b>(VI)</b>	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, 2019 was Rs. 31.77 Crore (Rs. 35.47 Crore as on March 31, 2018). The price earnings ratio of the Company was 5.93 as at March 31, 2019 and was 5.71 as at March 31, 2018 (based on annualized EPS).	
<b>(VII)</b>	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.	
<b>(VIII)</b>	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 salary/remuneration higher than Managing Director & Whole-time director.	
<b>(X)</b>	affirmation that the remuneration is as per the remuneration policy of the company.	Remuneration paid during the year ended March 31, 2019 is as per the Remuneration Policy of the Company.	

We hereby confirm that the remuneration is as per the remuneration policy recommended by Nomination and Remuneration Committee of the Company and adopted by the Company.

**Place:** Shapar, Rajkot

**Date:** 27.08.2019

**Dilipkumar G. Changela**

Managing Director

DIN: 00247302

**Rakesh Savani**

Chairman (NR Committee)

DIN: 07191075

## ANNEXURE II

(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.

### FORM – AOC 2

**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, 2019 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, Job work, 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 2018-19
5	Date of approval by Board	29.05.2018
6	Amount paid as advance, if any	Nil

Sr. No.	Particulars	Details
1	Name(s) of the related party and nature of relationship	Vijay Petroleum – Group Firm
2	Nature of contracts/arrangements/transactions	Expenses, 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 2018-19
5	Date of approval by Board	29.05.2018
6	Amount paid as advance, if any	Nil

Place: Shapar, Rajkot  
Date: 27.08.2019

**Dilipkumar Changela**  
Managing Director  
DIN: 00247302

## ANNEXURE III

### STATEMENT OF CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

pursuant to provisions of section 134 of the Companies Act, 2013 read with the companies (Accounts) Rules, 2014

#### A) CONSERVATION OF ENERGY

The Company is making continuous efforts on ongoing basis for energy conservation by adopting innovative measures to reduce wastage and optimize consumption.

Energy conservation initiatives are being planned and implemented across manufacturing locations. Apart from regular practices and measures for energy conservation, many new initiatives were driven across all the units. Some of the key measures taken in all the plants are as follows:

- Energy efficient chillers.
- New Machinery with low power consumption is installed.
- Alternative energy efficient neutral atmosphere.
- Energy efficient motors for utilities and replacement of capacitor panels to meet the current specifications and requirements.
- More usage of electricity purchased from GEB.

These measures have also led to power saving, reduced maintenance time and cost, improved hygienic condition and consistency in quality and improved productivity.

Consumption	Year Ended 31.03.2019	Year Ended 31.03.2018
Electric, Power and Fuel	37,657,699	26,268,586

#### B) TECHNOLOGY ABSORPTION

- Improved production methods to achieve higher yield and lower wastage
- Continuous benchmarking of products to achieve world class processes

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.

#### C) FOREIGN EXCHANGE EARNINGS AND OUTGO

Particulars	2018-2019	2017-2018
<b>Foreign Exchange earned during the year</b>		
- Sale of Goods	667,133	22,27,671
<b>Foreign Exchange outgo during the year</b>		
- Raw Materials	35,15,74,229	23,80,04,929
- Capital Goods	77,42,350	38,37,425

## MANAGEMENT DISCUSSION AND ANALYSIS

### GLOBAL ECONOMY

In 2018, the global economy began its journey on a firm footing with estimated global economic growth of 3.6% (Source: World Economic Outlook by International Monetary Fund (IMF)). During the second half of 2018, this rate of development gradually declined, owing to impending US-China trade dispute and some slowdown across developed markets. Emerging and developing markets of Asia maintained their steady progress at 6.4% during 2018. However, it's important to note that India's economy expanded at 7.1% in 2018 vis-à-vis 6.7% in 2017, whereas China's growth deteriorated from 6.9% in 2017 to 6.6% in 2018 (Source: IMF). Sub-Saharan Africa's economy also sustained a steady rise of 3% during the year.

### INDIAN ECONOMY

India continues to be one of the fastest growing major economies in the world and is expected to be among the world's top three economic powers in the next 10-15 years. The Indian economy is expected to improve and close the year 2019 with a GDP growth of 7.3% (Source: IMF).

Sustained real GDP growth of over 6% since FY91 has led to a fundamental transformation of India's economy. Today, India is the world's seventh largest economy in real terms, backed by strong demand, positive consumption pattern and rising disposable income. In PPP terms, the economy is expected to be among the top five global economies by 2020.

### INDUSTRY STRUCTURE AND DEVELOPMENT

The Company is in the roller bearing business for the requirements of the mobility industry which has Indian Original Equipment Manufacturers (OEMs). The Roller bearings have wide ranging applications and are critical to industrial progress. Market growth in the Indian mobility industry for both people and goods have a very large potential given the geographical spread and size of population- an aspirational young population spurs personal mobility while the need to establish strong supply chains between producers and markets drives growth for goods mobility. Also new vehicle models are being constantly introduced; there is expansion of the public transport systems, dedicated freight corridors for movement of farm produce. With enhanced manufacturing capacity, your Company is now able to offer a wider range of products to its customers -bearing solutions that are efficient and support productivity.

The automotive industry is the largest consumer of bearing products and your company supplies to the 2/3-wheeler, passenger cars, commercial vehicles and farm equipment segments. Overall demand from the automotive industry remains subdued at a single digit rate of 8% but your Company has grown by 11.5% with strong growth in the 2/3-wheeler and commercial vehicles.

Market growth in the Indian mobility industry for both people and goods have a very large potential given the geographical spread, size of population and the current low penetration. Growth in the goods mobility segment is being driven by the need to establish strong supply chains between producers and markets. Improvements in road infrastructure would help this area of business.

After strong growth in 2017 and early 2018, global economic activity slowed notably in the second half of 2018, reflecting a confluence of factors affecting major economics. China's growth declined following a combination of needed regulatory tightening to rein in shadow



banking and an increase in trade tensions with the United States. The euro area economy lost more momentum than expected as consumer and business confidence weakened and external demand, especially from emerging Asia, softened. Trade tensions increasingly took a toll on business confidence and financial market sentiment worsened, with financial conditions tightening for vulnerable emerging markets and advanced economies.

The Indian economy started the fiscal year 2018-2019 with a healthy 8.2 percent growth in the first quarter on the back of domestic resilience. Growth eased to 7.3 percent in the subsequent quarters due to rising volatility, largely from financial volatility, normalized monetary policy in advanced economies, externalities from trade disputes, and investment rerouting. Further, in the first half of FY19 the Indian rupee suffered because of the crude price shock, and conditions exacerbated as recovery in some advanced economies caused faster investment outflows. The rupee recovered in the latter half though the global growth remained muted. Despite the global scenario, the Indian economy remains one of the fastest growing. In fact, the effects of the aforementioned external shocks were contained in part by India's strong macro-economic fundamentals and policy changes (including amendments to the policy/code related to insolvency and bankruptcy, bank recapitalization, and foreign direct investment).

The automobile industry in India is world's fourth largest, with the country currently being the world's fourth largest manufacturer of cars and seventh largest manufacturer of commercial vehicles in 2017. Indian automotive industry (including component manufacturing) is expected to reach Rs. 16.16-18.18 trillion (US\$ 251.4-282.8 billion) by 2026. The automobile industry produced a total 30,915,420 vehicles including passenger vehicles, commercial vehicles, three wheelers and two wheelers in April 2018-March 2019 as against 29,094,447 in April 2017-March 2018, registering a growth of 6.26 per cent over the same period last year.

In April 2018-March 2019, overall automobile exports grew by 14.50 per cent. While Passenger Vehicles exports declined by (-) 9.64 per cent, Commercial Vehicles, Three Wheelers and Two Wheelers registered a growth of 3.17 per cent, 49.00 per cent and 16.55 per cent respectively in April 2018-March 2019 over the same period last year. (Source: *International Monetary Fund, IBEF, SIAM*)

India is emerging as global hub for auto component sourcing. A cost-effective manufacturing base keeps costs lower by 10-25 per cent relative to operations in Europe and Latin America. Relative to Chinese suppliers, India is geographically closer to key automotive markets like the Middle East and Europe.

We have over and above 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 ASCO INDUSTRIES SAS 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, Tex spin Bearings Limited, NRB Industrial Bearing Limited, TIMKEN, National Engineering Industries Limited, Turbo Industries, INAPEX Pvt Ltd., etc.

As of March 31, 2019, 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.

### **RISK MANAGEMENT**

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

- **Financial risks**  
The Company actively manages the interest rate risk by adopting suitable strategies to minimize the impact of interest rate fluctuations, including maintaining an optimal balance of different loan types and maturities.
- **Regulatory risks**  
The Company is exposed to risks attached to various statutes, laws and regulations including the Competition Act. The Company is mitigating these risks through regular review of legal compliances carried out through internal as well as external compliance audits. The Company has implemented an enterprise-wide compliance management system, capable of effectively tracking and managing regulatory and internal compliance requirements.
- **Human resource risks**  
Retaining the existing talent pool and attracting new talent are major risks. The Company has initiated various measures including rolling out strategic talent management system, training and integration of learning and development activities.
- **Strategic risks**  
Emerging businesses, capital expenditure for capacity expansion etc., are normal strategic risks faced by the Company. However, the Company has well-defined processes and procedures for obtaining approvals for investments in new businesses and capacity expansions.

### **OPPORTUNITIES**

The long-term prospects for the Indian economy remain bright owing to the growth of internal consumption. Demand for personal vehicles will be driven by the aspirations of the rising middle class with improving purchasing power and disposable incomes. Rapid urbanization will drive the need for public transportation. As India addresses the twin challenges of inclusive growth and sustainability, even a normal monsoon, with improved availability of rural finance, will positively influence demand for motorcycles as well as agricultural tractors. The overall mobility sector is expected to benefit from continued growth in the longer term.

### **FINANCIALS**

The company has made a profit after tax of Rs. 6.39 Crore as compared to Rs. 3.42Crore in the previous accounting year. The net revenues at Rs. 81.02 Crore show a growth as compared to net revenues of the previous year Rs. 56.49 Crore.

The company expects that the market will improve and with the new capacities which have become operational, it will be able to enhance volumes, improve efficiencies, broaden its customer profile and product range so that the financial results are better during the current financial year.

### SEGMENTWISE PERFORMANCE

The Company has a single reportable segment of ball and roller bearings as the primary business segment for the purpose of IND AS 108. The assets and liabilities of the Company are all expended towards this business segment.

### CRITICAL TRENDS

As the industry gears to ramp up performance in India and globally, the following are shaping the industry:

- Constantly shifting market dynamics due to changing manufacturing locals, customers' demands, operating models and priorities.
- Changing needs of OEMs, who are likely to want different and more agile component inputs, while demand, timelines and processes keep shifting.
- Technological improvements and discontinuities that are already starting to change revenue pools trigger new competition and invite new forms of co-operation.
- An evolving regulatory and trade environment forming the backdrop for it all.

### OPPORTUNITIES

- Pursue export opportunities aggressively
- Enhance import substitution
- Offer premium features at lower costs at a rapid pace
- Focus on component categories that could contribute more to vehicle costs
- Expand aftermarket products to capture value from existing vehicle parts and aftermarket exports
- Offer components which could take off due to an increase in electric vehicle (EV) sales
- Expand portfolio to serve adjacent industries

Identifying which opportunities fit best, and working strategically to seize them, could create a successful future for auto component manufactures.

### CHALLENGES/THREATS

- **Constantly shifting market dynamics**  
Manufacturing locales, customer demands and operating models are all evolving, creating a dynamic market for auto component manufacturers.

The Number of vehicle recalls had significantly increased in recent years, leading to a growing trend of quality consciousness and renewed focus on manufacturing excellence. The global supply chain is more connected than ever before. This amplifies the impact of any unexpected changes from exchange rate fluctuations and price volatility to geopolitical tensions or natural disasters. These factors and their impact on the industry are difficult to forecast, adding uncertainty to an already dynamic situation. Adding to the mix are rapidly changing customer preferences and the constant need to upgrade, which are constantly creating new paradigms.

- **Changing OEM needs**  
The industry needs to keep pace with the changing needs of automotive OEMs, who in turn are coping with the dynamic expectations of the end customer, consolidation of platforms to reduce complexity and alterations in vehicle cost composition. The automotive manufacturers require simpler, more versatile components that are usable across multiple platforms.
- **Technological improvements and discontinuities**  
Autonomous vehicles, connected vehicles, Electrification and Shared Mobility (ACES) are very real, disruptive and technology-driven trends that could change the future of the mobility industry. India is making rapid strides in innovative ACES technologies across cars, two-wheelers and commercial vehicles. These technologies are gaining ground due to increasing customer acceptance, stricter emission regulations, lower battery costs and more widely available charging infrastructure.
- **Evolving regulatory and trade environment**  
Rapidly evolving emissions and safety regulations as well as technological disruptions such as connectivity and e-mobility could underpin the demand for electronics at an OEM and customer level. It is expected that the implementation of BSVI standards will lead to a spike in demand for components like catalytic convertors, electronic fuel injection systems, oxygen sensors and intelligent battery sensors.

Your Company is working continuously to mitigate these threats - leveraging its wide range of products and its engineering capabilities and priming its sourcing and purchasing capabilities. The Company remains committed towards investing in sophisticated technology to offer enduring and efficient solutions.

#### **HUMAN RESOURCE AND INDUSTRIAL RELATIONS**

Overall relations with the workmen at plants have been cordial during the year and the company has contained its employee costs, benefiting from the wage settlements which have linked incentive payments to increase overall production volumes (net of rework) and reduction in rejection rates.

The primary focus of industrial Relations during the current year will continue to be on the engaging, motivating and improving the productivity while ensuring improved productivity and product quality at the plant without any interim work disruptions. The Company has ambitious sales revenue and profit targets budgeted for the year and its people approach, encouragement of team work should enable its achievement and to developing knowhow building managerial and technical capabilities to align with career aspirations, they also serve as a platform to interact with peers from diverse backgrounds and spread the values of togetherness, positive thinking and mutual respect.

#### **CAUTIONARY STATEMENT**

This report contains forward-looking statements that are based on the current expectations of the management of Vishal. Although management believes that the expectations reflected in such forward-looking statements are reasonable, no assurance can be given that such expectations will prove to have been correct. Accordingly, results could differ materially from those implied in the forward-looking statements as a result of, among other factors, changes in economic, market and competitive conditions, changes in the regulatory environment and other government actions, fluctuations in exchange rates and other factors mentioned in this Annual Report.

## REPORT ON CORPORATE GOVERNANCE

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

### 1. INTRODUCTION

Vishal Bearings Limited ("The Company") governance philosophy is based on trusteeship, transparency and accountability. As a corporate citizen, our business fosters a culture of ethical behavior and disclosures aimed at building trust of our stakeholders. The Company's Code of Business Conduct and Ethics, Internal Code of Conduct for Regulating, Monitoring and Reporting of Trades by Designated Persons and the Charter Business for Peace are an extension of our values and reflect our commitment to ethical business practices, integrity and regulatory compliances.

Vishal Bearings Care defines the Group's approach to securing sustainable, positive development over the short, medium and long term. Vishal applies the principles of sound corporate governance as an instrument for increased competitiveness and to promote confidence in Vishal among all stakeholders. Among other things, this means that the company maintains an efficient organizational structure with clear areas of responsibility and clear rules for delegation, that the financial, environmental and social reporting is transparent and that the company in all respects maintains good corporate citizenship.

The corporate governance principles applied by Vishal are based on the Companies Act, SEBI Regulation, Income Tax Act and the regulatory system of the Stock Exchange.

### 2. GENERAL INFORMATION ABOUT HOW THE COMPANY IS MANAGED

The shareholders' meeting is the company's highest decision-making body. The Annual General Meeting of shareholders shall be held within six months after the end of the financial year. At the Annual General Meeting the shareholders exercise their voting rights for e.g. the composition of the Board of Directors, adoption of principles of remuneration for Group Management and election of external auditors.

The Board of Directors has a responsibility for the company's organization and for the oversight of the management of the company's affairs and is, together with the Managing Director and Group Management defining and continuously monitoring Vishal's vision, mission, values and drivers. The Chairman of the Board of Directors shall direct the work of the Board and monitor that the Board of Directors fulfill its obligations. The Board annually adopts written rules of procedure for its internal work and written instructions.

The Managing Director of the company and the Chief Executive Officer handles the day to day management of the company's business in accordance with the guidelines and instructions from the Board. The approval of the Board is, for example, required in relation to investments and acquisitions above certain amounts, as well as for the appointment of certain senior managers. The Managing Director is supported by Group Management.

### 3. BOARD OF DIRECTORS

#### THE GOVERNANCE STRUCTURE

The Corporate Governance structure at Vishal is as follows:

- (i) The Board of Directors: The Board is entrusted with an ultimate responsibility of the Management, directions and performance of the Company. As its primary role is fiduciary in nature, the Board provides leadership, strategic guidance, objective and independent view to the Company's management while discharging its responsibilities, thus ensuring that the management adheres to ethics, transparency and disclosures.
- (i) Committees of Directors: The Board has constituted the following Committees viz, Audit Committee, Nomination and Remuneration Committee, Corporate Social Responsibility (CSR) Committee, the Committee of Directors (which also acts as the Stakeholders' Relationship Committee) and Risk Management Committee. Each of the said Committee has been mandated to operate within a given framework.

#### COMPOSITION AND CATEGORY OF DIRECTORS

The Board is broad-based and consists of eminent individuals from Industrial, Managerial, Technical, Financial and Marketing background. The Company is managed by the Board of Directors in co-ordination with the Senior Management team. The composition and strength of the Board is reviewed from time to time for ensuring that it remains aligned with statutory as well as business requirements.

The Board adopts written rules of procedure annually for its internal work. These rules prescribe i.e.:

- the number of Board meetings and when they are to be held,
- the items normally included in the Board agenda, and
- The presentation to the Board of reports from the external auditors.

The Board has also issued written instructions on:

- when and how information required for the Board's assessment of the company's and the Group's financial position shall be collected and reported to the Board, and
- The allocation of the tasks between the Board and the Managing Director.

Issues dealt with by the Board in 2018-2019 include i.e. market outlook, financial reporting, capital structure, acquisitions and divestments of companies, antitrust related matters, the strategic direction and business plan of the Group and management issues.

The Board continuously evaluates economic, environmental and social aspects for the performance and reviews specific issues such as accident rates, market Position and Code of Conduct adherence.

As on March 31, 2019, the Company's Board consists of six Directors. The Board comprises of Three Executive Promoter Director, one Non-Executive Independent Woman Director, two Non-Executive Independent Director. The Chairman and Managing Director of the Board is an Executive Director.

The number of Directorships, Committee Membership(s)/Chairmanship(s) of all Directors is within respective limits prescribed under the Companies Act, 2013 ("Act") and Listing Regulations.

**DIRECTORS' DIRECTORSHIPS/COMMITTEE MEMBERSHIPS**

In accordance with Regulation 26 of the Listing Regulations, none of the Directors are members in more than 10 committees excluding private limited companies, foreign companies and companies under Section 8 of the Companies Act, 2013 or act as Chairperson of more than 5 committees across all listed entities in which he/she is a Director. The Audit Committee and Stakeholders' Relationship Committee are only considered in computation of limits. Further all Directors have informed about their Directorships, Committee Memberships/Chairmanships including any changes in their positions. Relevant details of the Board of Directors as on March 31, 2019 are given below:

**DIRECTORSHIP / COMMITTEE MEMBERSHIP AS ON MARCH 31, 2019**

Name of Director	DIN	Category	No. of Directorships in other co.	No. of Membership in Committees	Attendance of BM held in 2018-2019	Attended at last AGM held on 22 September, 2018
Hiralal Gordhandas Changela	0024729 2	Whole time Director	1	-	6	Yes
Vrajlal Gordhandas Changela	0024729 5	Whole time Director	1	1	6	Yes
Dilipkumar Gordhandas Changela	0024730 2	Managing Director	1	1	6	Yes
Niteshkumar Jamnadas Patel	0185444 3	Independent Director	1	1	6	Yes
Urja Gami	0719106 8	Independent Director	-	3	6	Yes
Rakesh Kanjibhai Savani	0719107 5	Independent Director	-	3	6	Yes
Changela Vishal Vrajlal	--	Chief Financial Officer	-	-	6	Yes
Dimpi Kishorbhai Sampat	--	Company Secretary	-	-	6	Yes

**INDEPENDENT DIRECTORS CONFIRMATION BY THE BOARD**

All Independent Directors have given declarations that they meet the criteria of independence as laid down under Section 149(6) of the Companies Act, 2013 and Regulation 16(1) (b) of the Listing Regulations. In the opinion of the Board, the Independent Directors, fulfill the conditions of independence specified in Section 149(6) of the Companies Act, 2013 and Regulation 16(1) (b) of the Listing Regulations.

### NUMBER OF INDEPENDENT DIRECTORSHIPS

As per Regulation 17A of the Listing Regulations, Independent Directors of the Company do not serve as Independent Director in more than seven listed companies. Further, the Managing Director of the Company does not serve as an Independent Director in any listed entity.

### BOARD MEETINGS

The Board meets at regular intervals to discuss and decide on business strategies/policies and review the financial performance of the Company. The Board Meetings are pre-scheduled and a tentative annual calendar of the Board Meeting is circulated to the Directors well in advance to facilitate them to plan their schedules accordingly. In case of business exigencies, the Board's approval is taken through circular resolutions. The circular resolutions are noted at the subsequent Board Meeting.

The notice and detailed agenda along with the relevant notes and other material information are sent in advance separately to each Director and in exceptional cases tabled at the Meeting with the approval of the Board. This ensures timely and informed decisions by the Board. The Board reviews the performance of the Company vis-à-vis the budgets/targets.

Minimum four prescheduled Board meetings are held every year (one meeting in every calendar quarter). Additional meetings are held to address specific needs, if any, of the Company. During the Financial Year 2018-19, the Board of Directors met Six (06) times. The maximum gap between any two consecutive meetings was less than one hundred and twenty days, as stipulated under Section 173(1) of the Act and Regulation 17(2) of the Listing Regulations and the Secretarial Standard by the Institute of Company Secretaries of India.

#### (A) Meeting of Board of Directors during 2018-2019:

In all, Six (06) Board Meetings were held during the financial year on the following dates:

Board Meetings	I	II	III	IV	V	VI
Dates	29.05.18	27.08.18	14.11.18	03.01.19	31.01.19	09.03.19
Venue	Shapar	Shapar	Shapar	Shapar	Shapar	Shapar

The details of attendance of each of the Directors at the Board Meeting(s) are given above in the table at point no. 3A.

### INFORMATION PLACED BEFORE THE BOARD

The Company provides the information as set out in Regulation 17 read with Part A of Schedule II of the Listing Regulations to the Board and the Board Committees to the extent it is applicable and relevant. Such information is submitted either as part of the agenda papers in advance of the respective Meetings or by way of presentations and discussions during the Meetings.

### POST MEETING MECHANISM

The important decisions taken at the Board/Board Committee Meetings are communicated to the concerned department/ division.



## **BOARD SUPPORT**

The Company Secretary attends the Board Meetings and advises the Board on Compliances with applicable laws and governance.

## **ROLES, RESPONSIBILITIES AND DUTIES OF THE BOARD**

The duties of Board of Directors have been enumerated in Listing Regulations, Section 166 of the Companies Act, 2013 and Schedule IV of the said Act (Schedule IV is specifically for Independent Directors). There is a clear demarcation of responsibility and authority amongst the Board of Directors.

### **The Chairman and Managing Director**

His primary role is to provide leadership to the Board in achieving goals of the Company. He is responsible for transforming the Company into a world-class organization. He is responsible, inter-alia, for the working of the Board and for ensuring that all relevant issues are placed before the Board and that all Directors are encouraged to provide their expert guidance on the relevant issues raised in the meetings of the Board. He is also responsible for formulating the corporate strategy along with other members of the Board of Directors. His role, inter alia, includes:

- Provide leadership to the Board & preside over all Board & General Meetings.
- Achieve goals in accordance with Company's overall vision.
- Ensure that Board decisions are aligned with Company's strategic policy.
- Ensure to place all relevant matters before the Board and encourage healthy participation by all Directors to enable them to provide their expert guidance.
- Monitor the core management team.

### **Non-Executive Directors (including Independent Directors)**

Play a critical role in balancing the functioning of the Board by providing independent judgments on various issues raised in the Board meetings like formulation of business strategies, monitoring of performances, etc. Their role, inter- alia, includes:

- Impart balance to the Board by providing independent judgments.
- Provide feedback on Company's strategy and performance.
- Provide effective feedback and recommendations for further improvements.

## **FAMILIARISATION PROGRAMME FOR DIRECTORS**

At the time of appointing a Director, a formal letter of appointment is given to him, which inter alia explains the role, function, duties and responsibilities expected from him as a Director of the Company. The Director is also explained in detail the Compliance required from him under Companies Act, 2013, the Listing Regulations and other various statutes and an affirmation is obtained. The Chairman and Managing Director also have a one to one discussion with the newly appointed Director to familiarize him with the Company's operations. Further, on an ongoing basis as a part of Agenda of Board / Committee Meetings, presentations are regularly made to the Independent Directors on various matters inter-alia covering the Company's and its subsidiaries/associates businesses and operations, industry and regulatory updates, strategy, finance, risk management framework, role, rights, responsibilities of the Independent Directors under various statutes and other relevant matters. The details of the familiarization programme for Directors are available on the Company's website, viz. [www.vishalbearing.com](http://www.vishalbearing.com)

#### 4. GOVERNANCE CODES

##### **Code of Business Conduct & Ethics**

The Company has adopted Code of Business Conduct & Ethics ("the Code") which is applicable to the Board of Directors and all Employees of the Company. The Board of Directors and the members of Senior Management Team of the Company are required to affirm semi-annual Compliance of this Code. A declaration signed by the Chairman and Managing Director of the Company to this effect is placed at the end of this report. The Code requires Directors and Employees to act honestly, fairly, ethically, and with integrity, conduct themselves in professional, courteous and respectful manner. The Code is displayed on the Company's website viz. [www.vishalbearing.com](http://www.vishalbearing.com)

##### **Conflict of Interests**

Each Director informs the Company on an annual basis about the Board and the Committee positions he occupies in other companies including Chairmanships and notifies changes during the year. The Members of the Board while discharging their duties avoid conflict of interest in the decision-making process. The Members of Board restrict themselves from any discussions and voting in transactions in which they have concern or interest.

##### **Insider Trading Code**

The Company has adopted an 'Internal Code of Conduct for Regulating, Monitoring and Reporting of Trades by Designated Persons' ("the Code") in accordance with the SEBI (Prohibition of Insider Trading) Regulations, 2015 (The PIT Regulations).

The Code is applicable to Promoters, Member of Promoter's Group, all Directors and such Designated Employees who are expected to have access to unpublished price sensitive information relating to the Company. The Company Secretary is the Compliance Officer for monitoring adherence to the said PIT Regulations.

The Company has also formulated 'The Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information (UPSI)' in compliance with the PIT Regulations.

##### **COMMITTEES OF THE BOARD**

The Board of Directors has constituted Board Committees to deal with specific areas and activities which concern the Company and requires a closer review. The Board Committees are formed with approval of the Board and function under their respective Charters. These Committees play an important role in the overall Management of day-to-day affairs and governance of the Company. The Board Committees meet at regular intervals and take necessary steps to perform its duties entrusted by the Board. The Minutes of the Committee Meetings are placed before the Board for noting.

The Company has five Board Level Committees:

- Audit Committee,
- Nomination and Remuneration Committee,
- Committee of Directors (Stakeholders' Relationship Committee),

## 5. AUDIT COMMITTEE

### Composition

Audit Committee of the Board of Directors (“the Audit Committee”) is entrusted with the responsibility to supervise the Company’s financial reporting process and internal controls. The composition, quorum, powers, role and scope are in accordance with Section 177 of the Companies Act, 2013 and the provisions of Regulation 18 of the Listing Regulations. All members of the Audit Committee are financially literate and bring in expertise in the fields of Finance, Taxation, Economics, Risk and International Finance. It functions in accordance with its terms of reference that defines its authority, responsibility and reporting function. Mr. Rakesh Savani, Independent Director and the Chairman of the Audit Committee. The other members of the Audit Committee include Mrs. Urja Gami, Independent Director and Mr. Vrajlal Changela, Executive Director.

### Meetings and Attendance

The Audit Committee met four times during the Financial Year 2018-19. The maximum gap between two Meetings was not more than 120 days. The Committee met on Five (05) times during the financial Year 2018-2019. The requisite quorum was present at all the Meetings. The Chairman of the Audit Committee was present at the last Annual General Meeting of the Company.

The Table below provides the attendance of the Audit Committee members:

#### (A) Meetings of Audit Committee and Attendance of Members

Audit Committee Meeting(s)	I	II	III	IV	V
Dates	29.05.18	27.08.18	14.11.18	03.01.19	31.01.19
Venue	Shapar	Shapar	Shapar	Shapar	Shapar
Attended by	All the Members				

### Terms of Reference

The Board has framed the Audit Committee Charter for the purpose of effective compliance of provisions of section 177 of the Companies Act, 2013 and Regulation 18 of the Listing Regulations. The Audit Committee inter alia performs the functions of approving Annual Internal Audit Plan, review of financial reporting system, internal controls system, discussion on financial results, interaction with Statutory and Internal Auditors, one-on-one Meeting with Statutory and Internal Auditors, recommendation for the appointment of Statutory, Internal and their remuneration, Review of Business Risk, Review of Forex policy, Management Discussions and Analysis, Review of Internal Audit Reports and significant related party transactions. In fulfilling the above role, the Audit Committee has powers to investigate any activity within its terms of reference, to seek information from employees and to obtain outside legal and professional advice.

### **Functions of Audit Committee**

The Audit Committee, while reviewing the Annual Financial Statements also reviews the applicability of various Accounting Standards (AS) referred to in Section 133 of the Companies Act, 2013. The compliance of the Accounting Standards as applicable to the Company has been ensured in the preparation of the Financial Statements for the year ended March 31, 2019. The Audit Committee bridges the gap between the Internal Auditors and the Statutory Auditors. The Statutory Auditors are responsible for performing Independent audit of the Company's Financial Statements and Company's internal financial control over financial reporting in accordance with the generally accepted auditing practices and issuing reports based on such audits, while the Internal Auditors are responsible for the internal risk controls.

Besides the above, Chairman and Managing Director, Chief Financial Officer, Business Heads of the Company's Divisions, the representatives of the Statutory Auditors and the Internal Auditors are permanent invitees to the Audit Committee Meetings. The Company Secretary acts as a Secretary to the Committee as required by Regulation 18(1)(e) of the Listing Regulations.

The Company follows best practices in financial reporting. The Company has been reporting on quarterly basis, the Un-audited Consolidated Financial Statements as required by the Regulation 33 of the Listing Regulations.

The Audit Committee also oversees and reviews the functioning of a vigil mechanism (implemented in the Company as a Fraud Risk Management Policy and Whistle Blower Policy) and reviews the findings of investigation into cases of material nature and the actions taken in respect thereof.

### **Internal Controls and Governance Processes**

The Company continuously invests in strengthening its internal control and processes. The Audit Committee along with CFO formulates a detailed plan for the Internal Auditors for the year, which is reviewed at the Audit Committee Meetings. The Internal Auditors attend the Meetings of the Audit Committee at regular basis and submit their recommendations to the Audit Committee and provide a road map for the future.

## **6. NOMINATION AND REMUNERATION COMMITTEE (NRC)**

### **Composition**

The Nomination and Remuneration Committee comprises of Three Directors. Mr. Rakesh Savani, Independent Director, is the Chairman of the Committee. The other members of the Nomination and Remuneration Committee include Mrs. Urja Gami and Mr. Niteshkumar Patel, Independent Directors. The Composition of Nomination and Remuneration Committee is in accordance with the provisions of Section 178(1) of the Companies Act, 2013 and Regulation 19 of the Listing Regulations.

### **Meeting and Attendance**

The Nomination and Remuneration Committee met Three (03) times during the year on May 29, 2018, August 27, 2018 and January 31, 2019 during the financial year 2018-2019. The requisite quorum was present at the Meeting. The Chairman of the Nomination and Remuneration Committee was present at the last Annual General Meeting of the Company. The table below provides the attendance of the Nomination and Remuneration Committee members:

Sr. No.	Name of Directors	Position	Category	No. of Meetings Attended
1.	Mr. Rakesh Savani	Chairman	Independent Director	3 of 3
2.	Mrs. Urja Gami	Member	Independent Director	3 of 3
3.	Mr. Niteshkumar Patel	Member	Independent Director	3 of 3

### Terms of Reference

The broad terms of reference of the Nomination and Remuneration Committee, as approved by the Board, are in compliance with Section 178 of the Companies Act, 2013 and Regulation 19 of the Listing Regulations, which are as follows.

- to help the Board in determining the appropriate size, diversity and composition of the Board;
- to recommend to the Board appointment/re-appointment and removal of Directors and Senior Management;
- to frame criteria for determining qualifications, positive attributes and independence of Directors;
- to recommend to the Board remuneration payable to the Directors and Senior Management (while fixing the remuneration to Executive Directors the restrictions contained in the Act is to be considered);
- to create an evaluation framework for Independent Directors and the Board; to provide necessary reports to the Chairman after the evaluation process is completed by the Directors;
- to assist in developing a succession plan for the Board and Senior Management;
- to assist the Board in fulfilling responsibilities entrusted from time-to-time;
- delegation of any of its powers to any Member of the Committee or the Compliance Officer.

### REMUNERATION POLICY

#### A. Remuneration to Non-Executive Directors (including Independent Directors)

The Non-Executive Directors are paid remuneration by way of Sitting Fees and Commission. The Non-Executive Directors are paid Sitting Fees for each Meeting of the Board or Committee as attended by them. The total amount of sitting fees paid to Non-Executive Directors during the Financial Year 2018-19 was Rs. 36,000. The Non-Executive Director/Independent Directors do not have any material pecuniary relationship or transactions with the Company.

#### B. Remuneration to Executive Director

The appointment and remuneration of Executive Director i.e. Chairman and Managing Director is governed by the recommendation of the Nomination and Remuneration Committee, Resolutions passed by the Board of Directors and Shareholders of the Company and Agreement executed between him and the Company. The remuneration package of Chairman and Managing Director comprises of salary, perquisites and allowances, and contributions to Provident and other Retirement Benefit Funds as approved by the shareholders at the General Meetings. Annual increments are linked to performance and are decided by the Nomination and Remuneration Committee and recommended to the Board for approval thereof.

The remuneration policy is directed towards rewarding performance, based on review of achievements. It is aimed at attracting and retaining high calibre talent.

Presently, the Company does not have a stock options scheme for its Directors.

**DETAILS OF REMUNERATION PAID TO DIRECTORS FOR THE YEAR ENDED MARCH 31, 2019**

**(a) NON-EXECUTIVE INDEPENDENT DIRECTORS**

Name of Director	Sitting Fees (₹)	Commission to Non-Executive Directors (₹)	No. of Shares/convertible instruments held
Mr. Rakesh Savani	12,000	-	-
Mrs. Urja Gami	12,000	-	-
Mr. Niteshkumar Patel	12,000	-	-

**(b) EXECUTIVE DIRECTORS**

Name of Director	Designation	Salary (₹)	Commission (₹)	No. of Shares Held
Mr. Dilipkumar Changela	Managing Director	₹.25,00,000	-	6,62,500
Mr. Hiralal Changela	Whole time director	₹.25,00,000	-	6,66,250
Mr. Vrajlal Changela	Whole time director	₹.25,00,000	-	6,55,000

**PERFORMANCE EVALUATION**

Pursuant to the provisions of the Companies Act, 2013 and the Listing Regulations, the Board has carried out the annual evaluation of its own performance, its Committees and Directors individually. A structured questionnaire was prepared after circulating the draft forms, covering various aspects of the Board's functioning such as adequacy of the composition of the Board and its Committees, Board culture, execution and performance of specific duties, obligations and governance. A consolidated summary of the ratings given by each Director was then prepared. The report of performance evaluation was then discussed and noted by the Board. The performance evaluation of the Chairman and Managing Director and the Non-Independent Directors was carried out by the Independent Directors. The Directors expressed their satisfaction with the evaluation process.

**7. STAKEHOLDERS RELATIONSHIP COMMITTEE (SRC)**

**Composition and Attendance**

Pursuant to provisions of Section 178(5) of the Companies Act, 2013 read with Regulation 20 of the Listing Regulations, Committee of Directors (Stakeholders Relationship Committee) of the Board has been constituted. This Committee comprises of Three Directors. Mrs. Urja Gami, Independent Director is the Chairman of this Committee. The other members of the Stakeholders Relationship Committee include Mr. Rakesh Savani, Independent Director and Mr. Dilipkumar Changela, Managing Directors. The Stakeholders Relationship Committee met One (01) time on March 09, 2019 during the financial year 2018-2019.

The table below highlights the composition and attendance of the Members of the Committee. The requisite quorum was present at all the Meetings.

Sr. No.	Name of Directors	Position	Category	No. of Meetings Attended
1.	Mrs. Urja Gami	Chairman	Independent Director	1 of 1
2.	Mr. Rakesh Savani	Member	Independent Director	1 of 1
3.	Mr. Dilipkumar Changela	Member	Managing Director	1 of 1

### Terms of Reference

This Committee generally meets once a year. The Committee looks into the matters of Shareholders/Investors grievances along with other matters listed below:

- to consider and resolve the grievances of security holders of the Company including complaints related to transfer/transmission of shares, non-receipt of annual report, non receipt of declared dividends, issue of new/duplicate certificates, general meetings etc.;
- to consider and approve demat/ remat of shares/split/ consolidation/sub-division of share/debenture certificates;
- to oversee and review all matters connected with the transfer of the Company's securities;
- to consider and approve opening/modification of operation and closing of bank accounts;
- to fix record date/book closure of share/debenture transfer book of the Company from time to time;
- to monitor implementation and compliance with the Company's Code of Conduct for Prohibition of Insider Trading;
- to review measures taken for effective exercise of voting rights by shareholders;
- to review adherence to the standards adopted by the Company in respect of various services being rendered by the Registrar & Share Transfer Agent;
- to review of the measures and initiatives taken by the Company for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the Company;
- to carry out any other function as prescribed under the Listing Regulations, the Companies Act, 2013 and other Applicable Law as amended from time to time.
- to carry out any other duties that may be delegated to the Committee by the Board of Directors from time-to-time.

The Secretarial Department of the Company and the Registrar and Share Transfer Agent, Karvy Fintech Private Limited, attend to all grievances of the shareholders received directly or through SEBI, Stock Exchanges, Ministry of Corporate Affairs, Registrar of Companies, etc. The Minutes of the Stakeholders Relationship Committee Meetings are circulated to the Board and noted by the Board of Directors.

Continuous efforts are made to ensure that grievances are more expeditiously redressed to the complete satisfaction of the investors. Shareholders are requested to furnish their updated telephone numbers and e-mail addresses to facilitate prompt action.

## DETAILS OF SHAREHOLDERS' COMPLAINTS RECEIVED, SOLVED AND PENDING SHARE TRANSFERS

No complaints received and resolved during the year ended March 31, 2019. There were no complaints outstanding as on March 31, 2019. The number of pending share transfers and pending requests for dematerialization as on March 31, 2019 were NIL. Shareholders'/Investors' complaints and other correspondence are normally attended to within seven working days except where constrained by disputes or legal impediments. No investor grievances remained unattended /pending for more than thirty days as on March 31, 2019.

Complaints pending as on April 1, 2018	0
Complaints received during the year	0
Complaints resolved during the year	0
Complaints pending as on March 31, 2019	0

The above table includes Complaints received from SEBI SCORES by the Company.

### 8. INDEPENDENT DIRECTORS' MEETING

During the year under review, the Independent Directors met on March 09, 2019, inter alia, to:

- Evaluate performance of Non-Independent Directors and the Board of Directors as a whole;
- Evaluate performance of the Chairman of the Company, taking into account the views of the Executive and Non- Executive Directors;
- Evaluation of the quality, content and timeliness of flow of information between the Management and the Board that is necessary for the Board to effectively and reasonably perform its duties.

All the Independent Directors were present at this Meeting.

### 9. AFFIRMATIONS AND DISCLOSURES:

#### Compliances with Governance Framework

The Company is in compliance with all mandatory requirements under the Listing Regulations.

#### Related party transactions

All transactions entered into with the Related Parties as defined under the Companies Act, 2013 and Regulation 23 of the Listing Regulations during the financial year were on arm's length basis and do not attract the provisions of Section 188 of the Companies Act, 2013. There were no materially significant transactions with Related Parties during the financial year. Related party transactions have been disclosed under significant accounting policies and notes forming part of the Financial Statements in accordance with "IND AS". A statement in summary form of transactions with Related Parties in ordinary course of business and arm's length basis is periodically placed before the Audit committee for review and recommendation to the Board for their approval.

As required under Regulation 23(1) of the Listing Regulations, the Company has formulated a policy on dealing with Related Party Transactions.

None of the transactions with Related Parties were in conflict with the interest of Company. All the transactions are on arm's length basis and have no potential conflict



with the interest of the Company at large and are carried out on an arm's length or fair value basis.

**Details of non-compliance by the Company, penalties, and strictures imposed on the Company by Stock Exchanges or SEBI or any statutory authority, on any matter related to capital markets, during last three Financial Years.**

The Company has complied with all requirements specified under the Listing Regulations as well as other regulations and guidelines of SEBI. Consequently, there were no strictures or penalties imposed by either SEBI or Stock Exchanges or any statutory authority for non-compliance of any matter related to the capital markets during the last three Financial years.

**Vigil Mechanism / Whistle Blower Policy**

Pursuant to Section 177(9) and (10) of the Companies Act, 2013, and Regulation 22 of the Listing Regulations, the Company has formulated Whistle Blower Policy for vigil mechanism of Directors and employees to report to the management about the unethical behavior, fraud or violation of Company's code of conduct. The mechanism provides for adequate safeguards against victimization of employees and Directors who use such mechanism and makes provision for direct access to the Chairman of the Audit Committee in exceptional cases. None of the personnel of the Company have been denied access to the Audit Committee.

**Disclosure of Accounting Treatment**

In the preparation of the financial statements, the Company has followed the Accounting Standards referred to in Section 133 of the Companies Act, 2013. The significant accounting policies which are consistently applied are set out in the Notes to the Financial Statements.

**Risk Management**

Business risk evaluation and management is an ongoing process within the Company. The assessment is periodically examined by the Board.

**A certificate from a Company Secretary in practice that none of the directors on the board of the company have been debarred or disqualified from being appointed or continuing as directors of companies by the Board/Ministry of Corporate Affairs or any such statutory authority.**

The Certificate of Company Secretary in practice is annexed herewith as a part of the report.

**Where the board had not accepted any recommendation of any committee of the board which is mandatorily required, in the relevant financial year. Not Applicable**

**Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.**

The details of number of complaints filed and disposed of during the year and pending as on March 31, 2019 is given in the Directors' report.

### Non-mandatory requirements

Adoption of non-mandatory requirements of the Listing Regulations is being reviewed by the Board from time to time.

## 10. DETAILS OF ADOPTION OF NON-MANDATORY (DISCRETIONARY) REQUIREMENTS

Non-mandatory (discretionary) requirements under Regulation 27 of the Listing Regulations. The status of compliance with the non-mandatory requirements of the Listing Regulations is provided below:

- The Board**  
 The requirement relating to maintenance of office and reimbursement of expenses of Non-Executive Chairman is not applicable to the Company.
- Shareholders rights**  
 The Company has not adopted the practice of sending out half-yearly declaration of financial performance to shareholders. Quarterly results as approved by the Board are disseminated to Stock Exchanges and updated on the website of the Company.
- Modified opinion(s) in audit report**  
 There are no modified opinions in audit report.
- Reporting of Internal Auditor**  
 In accordance with the provisions of Section 138 of the Companies Act, 2013, the Company has appointed an Internal Auditor who reports to the Audit Committee. Quarterly internal audit reports are submitted to the Audit Committee which reviews the audit reports and suggests necessary action.

## 11. GENERAL BODY MEETINGS

Details of Annual General Meetings held in last three years are as follows:

Particulars	Meetings		
	AGM	AGM	AGM
Date	22.09.2018	29.09.2017	24.08.2016
Venue	Registered office of the Company	Registered office of the Company	Registered office of the Company

Details of Extra Ordinary General Meetings held in last three years are as follows:

Particulars	Meetings		
	EGM	EGM	EGM
Date	2018-2019	2017-2018	2016-2017
	23.02.2019	-	14.11.2016
	-	-	
Venue	Registered office of the Company	-	Registered office of the Company

## 12. ANNUAL GENERAL MEETING FOR THE FINANCIAL YEAR 2018-19

DAY AND DATE	Saturday, September 28, 2019
TIME	4:00 P.M.
VENUE	Registered Office of the Company
FINANCIAL YEAR	April 1, 2018 to March 31, 2019
BOOK CLOSURE DATES FOR DIVIDEND	September 23, 2019 to September 28, 2019 (both days inclusive)
LAST DATE OF RECEIPT OF PROXY FORMS	

### Tentative Calendar for Financial Year ending March 31, 2020

The tentative dates for Board Meetings for consideration of half yearly financial results are as follows:

Sr. No.	Particulars of Quarter	Tentative dates
01	First Half Yearly Results	On or before the first week of November 2019.
02	Second Half Yearly & Annual Results	On or before the first week of May 2020.

### Dividend History for the last three Financial Years

The Table below highlights the history of Dividend declared by the Company in the last three Financial Years:

Sr. No.	Financial Year	Date of Declaration of Dividend	Amount declared per share
01	2016-2017	-	-
02	2017-2018	25.11.2017	50 Paise (0.50)
03	2018-2019	03.01.2019	50 Paise (0.50)

### Unclaimed Dividend/ Shares

Pursuant to the provisions of Section 124(5) of the Companies Act, 2013, if the dividend transferred to the Unpaid Dividend Account of the Company remains unpaid or unclaimed for a period of seven years from the date of such transfer then such unclaimed or unpaid dividend shall be transferred by the Company along with interest accrued, if any to the Investor Education and Protection Fund ('the IEPF'), a fund established under sub-section (1) of section 125 of the Act.

### Distribution of Shareholding as on March 31, 2019

Category	No. of Shareholders	% of total paid up capital
upto 1 – 5000	4	0.02
5001 – 10000	1	0.01
10001 – 20000	33	0.99
20001 – 30000	1	0.05
30001 – 40000	30	1.86
40001 – 50000	1	0.07
50001 – 100000	59	7.25
100001 & above	55	89.75
<b>Total</b>	<b>184</b>	<b>100.00</b>

### CONSOLIDATION OF FOLIOS AND AVOIDANCE OF MULTIPLE MAILING

In order to enable the Company to reduce costs and duplicity of efforts for providing services to investors, members who have more than one folio in the same order of names are requested to consolidate their holdings under one folio. Members may write to the Registrars & Transfer Agents indicating the folio numbers to be consolidated along with the original shares certificates to be consolidated.

### RECONCILIATION OF SHARE CAPITAL AUDIT REPORT

As stipulated by SEBI, a qualified Practicing Company Secretary carries out Secretarial 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 the Stock Exchanges where the Company's shares are listed. The audit confirms that the total Listed and Paid-up Capital is in agreement with the aggregate of the total number of shares in dematerialized form (held with NSDL and CDSL) and total number of shares in physical form.

### COMPLIANCE WITH SECRETARIAL STANDARDS

The Institute of Company Secretaries of India, a Statutory Body, has issued Secretarial Standards on various aspects of corporate law and practices. The Company has complied with each one of them.

### SHARE PRICE DATA

Month	BSE Sensex Equity Shares		Vishal Bearings Limited Equity Shares	
	High	Low	High	Low
April 2018	35,213.30	32,972.56	48.05	48.05
May 2018	35,993.53	34,302.89	60.10	48.05
June 2018	35,877.41	34,784.68	56.00	48.05
July 2018	37,644.59	35,106.57	56.00	50.00
August 2018	38,989.65	37,128.99	56.00	44.80
September 2018	38,934.35	35,985.63	52.00	52.00
October 2018	36,616.64	33,291.58	49.80	49.00
November 2018	36,389.22	34,303.38	58.80	58.80
December 2018	36,554.99	34,426.29	58.80	47.05
January 2019	36,701.03	35,375.51	75.95	53.10
February 2019	37,172.18	35,287.16	97.50	50.00
March 2019	38,748.54	35,926.94	53.00	50.00

Particulars	BSE
Closing share price as on March 31, 2019	53.00
Market Capitalization as on March 31, 2019	57.19 Cr.

### MEANS OF COMMUNICATION TO SHAREHOLDERS

- The Un-audited quarterly/ half yearly results are announced within forty-five days of the close of the quarter. The audited annual results are announced within sixty days from the closure of the financial year as per the requirement of the Listing Regulations.
- The approved financial results are forthwith sent to the Stock Exchanges within forty-eight hours of approval thereof. Presently the same are not sent to the shareholders separately.

- (c) Management Discussion and Analysis report forms part of the Annual Report, which is sent to the shareholders of the Company.
- (d) The quarterly results, shareholding pattern, quarterly compliances and all other corporate communication to the Stock Exchanges viz. BSE Limited are filed electronically. The Company has complied with filing submissions through BSE's BSE Listing Centre.
- (e) SEBI processes investor complaints in a centralized web based complaints redressal system i.e. SCORES. Through this system a shareholder can lodge complaint against a company for his grievance. The Company uploads the action taken on the complaint which can be viewed by the shareholder. The Company and shareholder can seek and provide clarifications online through SEBI.
- (f) The Company has designated the email id: legal@vishalbearings.com exclusively for investor relation, and the same is prominently displayed on the Company's website www.vishalbearings.com

### **SHARE TRANSFER SYSTEM**

The transfer of shares in physical form is processed and completed by Registrar & Transfer Agent within a period of seven days from the date of receipt thereof provided all the documents are in order. In case of shares in electronic form, the transfers are processed by NSDL/CDSL through respective Depository Participants. In compliance with the Listing Regulations, a Practicing Company Secretary carries out audit of the System of Transfer and a certificate to that effect is issued.

However, as per SEBI Notification No. SEBI/LAD-NRO/GN/2018/24 dated June 8, 2018 and further amendment vide Notification No. SEBI/LAD-NRO/GN/2018/49 dated November 30, 2018, requests for effecting transfer of securities (except in case of transmission or transposition of securities) shall not be processed from April 1, 2019 unless the securities are held in the dematerialized form with the depositories. Therefore, Shareholders are requested to take action to dematerialize the Equity Shares of the Company, promptly.

### **NOMINATION**

Individual shareholders holding shares singly or jointly in physical form can nominate a person in whose name the shares shall be transferable in case of death of the registered shareholder(s). Nomination facility in respect of shares held in electronic form is also available with the Depository Participants as per the byelaws and business rules applicable to NSDL and CDSL. Nomination forms can be obtained from the Company's Registrar and Share Transfer Agent.

### **ELECTRONIC CLEARING SERVICE**

The Securities and Exchange Board of India (SEBI) has made it mandatory for all companies to use the Bank account details furnished by the Depositories for depositing dividends. Dividend will be credited to the Members' bank account through ECS wherever complete core banking details are available with the Company. In case where the core banking details are not available, dividend warrants will be issued to the Members with bank details printed thereon as available in the Company's records. This ensures that the dividend warrants, even if lost or stolen, cannot be used for any purpose other than for depositing the money in the accounts specified on the dividend warrants and ensures safety for the investors. The Company complies with the SEBI requirement.

**SERVICE OF DOCUMENTS THROUGH ELECTRONIC MODE**

As a part of Green Initiative, the members who wish to receive the notices/documents through e-mail, may kindly intimate their e-mail addresses to the Company's Registrar and Share Transfer Agent, Karvy Fintech Private Limited., to its dedicated e-mail id i.e., "vasanth.g@karvy.com."

**ADDRESS FOR CORRESPONDENCE**

<b>Registrar of Share Transfer Agent (RTA)</b>	<b>Correspondence with Company</b>
<b>KARVY FINTECH PRIVATE LIMITED</b> Plot No 31 & 32, Tower B, Karvy Selenium, Gachibowli, Near Financial District, Nanakramguda, Hyderabad – 500032, India. Tel: +91 (40) 6716 2222 Fax: + 91 (40) 2343 1551 Email: vasanth.g@karvy.com Website: www.karvyfintech.com	<b>VISHAL BEARINGS LIMITED</b> Survey No. 22/1, Plot No.1, Shapar Main Road, Shapar (Veraval), Rajkot, Gujarat-360024, India. Tel: 2827-252273, Fax: 2827-253087 Email:legal@vishalbearings.com Website:www.vishalbearings.com

**DECLARATIONS**

**Compliance with the Code of Business Conduct and Ethics**

In accordance with Part D of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, I hereby confirm that, all Board Members and Senior Management Personnel have affirmed compliance with Vishal Bearings Limited Code of Business Conduct and Ethics for the year ended March 31, 2019.

**Date:** August 27, 2019

**Place:** Shapar, Rajkot

**Divyesh Changela**  
CEO

**CERTIFICATE**

Based on our verification of the books, papers and other records maintained by M/s Vishal Bearings Limited, and also the information provided by the Company, its officers, agents and authorized representatives, we hereby report that during the Financial Year ended on March 31, 2019, in our opinion, none of the director on the Board of the Company have been debarred or disqualified from being appointed or continuing as director of Company by the Board/Ministry of Corporate Affairs or any such Statutory authority.

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

**Date:** August 27, 2019

**Place:** Shapar, Rajkot

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

## CEO & CFO CERTIFICATE

We the undersigned, in our respective capacities as Managing Director and Chief Financial Officer of Vishal Bearings Limited (“the Company”) to the best of our knowledge and belief certify that:

- a) We have reviewed financial statements for the year ended March 31, 2019 and that to the best of our knowledge and belief, we state that:
  - i) these statements do not contain any materially 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 standards, applicable laws and regulations.
- b) We further state that to the best of our knowledge and belief, no transactions are entered into by the Company during the year, which are fraudulent, illegal or volatile of the Company’s code of conduct.
- c) We are responsible for establishing and maintaining internal controls over financial reporting and that we have evaluated the effectiveness of internal control systems pertaining to financial reporting of the Company and have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- d) We have indicated to the Auditors and the Audit Committee:
  - i) significant changes, if any, in internal control over financial reporting during the year;
  - ii) significant changes, if any, in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
  - iii) 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.

**Divyesh Changela**  
CEO

**Vishal Changela**  
CFO

**Date:** August 27, 2019

**Place:** Shapar, Rajkot

## INDEPENDENT AUDITOR'S REPORT

To  
The Members  
**VISHAL BEARINGS LTD**

### Report on Audited Financial Statements

#### Opinion

We have audited the accompanying financial statements of **VISHAL BEARINGS LTD.** ('the Company'), which comprise the Balance Sheet as at March 31, 2019 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.

In our opinion and to the best of our information and according to the explanations given to us, the financial statements read together with the notes thereon, give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, to the extent applicable;

In the case of the Balance Sheet, of the state of affairs of the Company as at 31<sup>st</sup>March, 2019;

In the case of the Statement of Profit and Loss, of the profit of the Company for the year ended on that date; and

In the case of the Cash Flow Statement, of the cash flows of the Company for the year ended on that date.

#### Basis for Opinion

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

#### Key Audit Matters

Key audit matters are those matters that, in auditor's professional judgment, are of most significance in the audit of the financial statements of the company. These matters are addressed in the context of audit of the financial statements as a whole, and in forming auditor's opinion thereon. Based on our audit of Financial Statements of the Company for the period under review, we did not come across any material Key Audit Matters to be communicated in our report.

#### Information other than the Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexure to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the financial statements and our auditor's report thereon.

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



In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

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

### **Management's Responsibility for the Financial Statements**

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position 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.

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

The Board of Directors are also responsible for overseeing the company's financial reporting process.

### **Auditor's Responsibility for the audit of Financial Statements**

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

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

Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.

Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

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

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

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

#### **Report on Other Legal and Regulatory Requirements.**

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, Statement of Profit and Loss and Cash Flow Statement, 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, 2019, and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2019 from being appointed as a director in terms of Section 164(2) of the Act;
- f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in Annexure – A. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
- g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of Section 197(16) of the Act as amended:

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

- h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
- There were no pending litigations which would impact the financial position of the Company.
  - The Company has made all material provisions, except as mentioned in the notes to accounts, if any, 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.
  - There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

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(11) of the Act, we give in the Annexure – B, a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

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

**Place:** Rajkot  
**Date:** 29.05.2019

**Shilpang V. Karia**  
**Partner**  
M. No. – 102114

## **ANNEXURE – A TO THE INDEPENDENT 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, 2019)**

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 2019 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 Board of Directors of the Company 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 respective 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 internal financial controls over financial reporting of the Company based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. 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 judgments, 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 internal financial controls system over financial reporting of the Company.

### **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 authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the 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, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2019 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:** 29.05.2019

**Shilpang V. Karia**  
**Partner**  
M. No. – 102114

## **ANNEXURE – B TO THE INDEPENDENT AUDITOR'S REPORT**

(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our Report to the Members of VISHAL BEARINGS LIMITED of even date)

### **FIXED ASSETS**

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.

As explained to us, the Company has a program of verification to cover all the items of fixed assets in a phased manner which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. As further explained to us, pursuant to the said program, certain fixed assets were physically verified by the management during the year. According to the said information and explanations given to us, no material discrepancies were noticed on such verification.

According to the information and explanations given to us, the records examined by us and based on the examination of the conveyance deeds / registered sale deed provided to us, we report that, the title deeds, comprising all the immovable properties of land and buildings which are freehold, are held in the name of the Company as at the balance sheet date. In respect of immovable properties of land and building that have been taken on lease and disclosed as fixed assets in the financial statements, the lease agreements are in the name of the Company.

### **INVENTORIES:**

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.

According to the information and explanation given to us as explained to us, no material discrepancies were noticed on physical verification of inventories as compared to the book records.

### **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.

### **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; has not made any investments or has not given any guarantee for loans taken by others from any bank or financial institutions. Consequently, the provisions of clause (iv) of the order are not applicable to the company.

### **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. Consequently, the provisions of clause (v) of the order are not applicable to the company

**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 labor or other items of cost. Hence the provisions of section 148(1) of the Act do not apply to the Company.

**STATUTORY DUES:**

As per information and explanation available to us, undisputed statutory dues including provident fund, income-tax, goods and service tax, custom duty, cess and other material 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, 2019 for a period of more than 6 months from the date they become payable.

According to the information and explanation available to us, there are no dues outstanding on account provident fund, income-tax, goods and service tax, custom duty, cess and other material statutory dues on account of dispute.

**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.

**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.

**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.

**MANAGERIAL REMUNERATION:**

In our opinion and according to the information and explanations given to us, the Company has paid/provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.

**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.

**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.

**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.

**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.

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

According to the information and explanations given to us and based on our examination of the records of the company, the company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

**Place:** Rajkot  
**Date:** 29.05.2019

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

**Shilpang V. Karia**  
**Partner**  
M. No. – 102114



## BALANCE SHEET

Particulars	Note No.	As at 31-03-2019 Rupees	As at 31-03-2018 Rupees
<b>I. EQUITY AND LIABILITIES:</b>			
<b>1. Shareholders' Funds</b>			
(a) Share Capital	3	10,79,10,000	5,99,50,000
(b) Reserves and Surplus	4	7,24,91,415	6,00,84,231
<b>Sub Total</b>		<b>18,04,01,415</b>	<b>12,00,34,231</b>
<b>2. Non-Current Liabilities</b>			
(a) Long-term borrowings	5	21,10,08,520	19,00,18,376
(b) Deferred tax liabilities (Net)	6	58,27,127	57,96,555
<b>Sub Total</b>		<b>21,68,35,647</b>	<b>19,58,14,931</b>
<b>3. Current Liabilities</b>			
(a) Short-Term Borrowings	7	11,34,52,068	4,49,87,878
(b) Trade Payables	8		
(A) Total Outstanding Dues of Micro Enterprises & Small Enterprises	41	-	-
(B) Total Outstanding Dues of Creditors other than Micro Enterprises & Small Enterprises		3,26,28,041	4,69,90,266
(c) Other Current Liabilities	9	95,10,079	1,02,96,377
(d) Short-Term Provisions	10	3,42,30,738	1,92,58,889
<b>Sub Total</b>		<b>18,98,20,926</b>	<b>12,15,33,410</b>
<b>Total</b>		<b>58,70,57,987</b>	<b>43,73,82,572</b>
<b>II. ASSETS:</b>			
<b>1. Non-Current Assets</b>			
(a) Property, Plant & Equipment	11		
(i) Tangible assets		17,86,23,871	17,00,63,588
(ii) Capital work-in-progress		1,97,73,307	86,52,336
(b) Non-current investment	12	36,04,385	22,84,385
(c) Long term loans and advances	13	1,57,86,886	2,21,34,293
<b>Sub Total</b>		<b>21,77,88,449</b>	<b>20,31,34,602</b>
<b>2. Current Assets</b>			
(a) Inventories	14	23,20,36,793	11,40,10,893
(b) Trade Receivables	15	9,79,32,173	9,85,17,576
(c) Cash and Cash Equivalents	16	20,67,541	35,08,551
(d) Short-term Loans and Advances	17	3,69,37,876	1,79,05,787
(e) Other Current Assets	18	2,95,155	3,05,163

Sub Total	36,92,69,537	23,42,47,970
<b>Total</b>	<b>58,70,57,987</b>	<b>43,73,82,572</b>
Accompanying Notes forming part of the Financial Statements 1 to 43		

As per our report of even date attached  
**For SVK & ASSOCIATES**  
**Chartered Accountants**  
 Firm Reg. No. 118564W

On behalf of the Board of Directors  
**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

**Date:** 29.05.2019  
**Place:** Shapar, Rajkot

**Vishal V. Changela**  
 CFO

**Dimpi Sampat**  
 Company Secretary

## PROFIT AND LOSS ACCOUNT

Particulars	Note No.	For the Year 31-03-2019 Rupees	For the Year 31-03-2018 Rupees
<b>I. Revenue from Operation</b>	19	80,53,83,819	55,44,10,928
<b>II. Other Income</b>	20	48,32,239	1,05,66,111
<b>III. Total Revenue (I + II)</b>		<b>81,02,16,058</b>	<b>56,49,77,039</b>
<b>IV. Expenses:</b>			
1. Cost of Materials and Stores Consumed	21	53,48,12,097	33,30,18,460
2. Changes in Inventories of Finished Goods, Work-in-process and Stock-in-trade	22	(5,38,65,585)	83,96,798
3. Employee Benefits Expenses	23	8,64,99,726	6,23,75,314
4. Financial Costs	24	3,36,48,536	2,53,49,247
5. Depreciation and Amortization Expenses	11	3,21,88,788	2,77,10,247
6. Other Expenses	25	8,76,16,019	6,30,56,174
<b>Total Expense</b>		<b>72,08,99,581</b>	<b>51,99,06,240</b>
<b>V. Profit Before Tax (III - IV)</b>		<b>8,93,16,476</b>	<b>4,50,70,799</b>
<b>VI. Tax Expenses:</b>			
(1) Current tax - Pertaining to Current Year		(2,60,00,000)	(1,12,50,000)
(2) Current tax - Pertaining to Prior Year		6,94,924	(1,52,519)
(3) Deferred Tax		(30,572)	5,75,135
<b>Total Tax Expenses</b>		<b>(2,53,35,648)</b>	<b>(1,08,27,384)</b>
<b>XI. Profit/(Loss) for the period</b>		<b>6,39,80,828</b>	<b>3,42,43,415</b>
<b>XII. Earning per equity share:</b> (Refer Note No. 26)			
(1) Basic & Diluted (Adjusted for Bonus Issue)		5.93	5.17

Accompanying Notes forming part of the Financial Statements

1 to  
43

As per our report of even date attached  
**For SVK & ASSOCIATES**  
**Chartered Accountants**  
Firm Reg. No. 118564W

On behalf of the Board of Directors  
**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

**Date:** 29.05.2019  
**Place:** Shapar, Rajkot

**Vishal V. Changela**  
CFO

**Dimpi Sampat**  
Company Secretary

## CASH FLOW STATEMENT

Particulars	Year ended 31-03-2019	Year ended 31-03-2018
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit before tax	8,93,16,476	4,50,70,799
<b>Adjustment for:</b>		
Depreciation and Amortization Exp	3,21,88,788	2,77,10,247
Interest Received / Other Non Operative Receipts	(6,06,135)	(83,57,531)
Financial Cost	3,36,48,536	2,53,49,247
	<u>6,52,31,189</u>	<u>4,47,01,963</u>
<b>Operating profit before working capital changes</b>	<b>15,45,47,665</b>	<b>8,97,72,761</b>
<b>Adjustment for:</b>		
Changes in Working Capital:		
Increase / (Decrease) in Trade Payable	(1,43,62,225)	2,48,14,943
Increase / (Decrease) in Other Current Liability	(7,86,298)	48,73,370
Increase / (Decrease) in Short Term Provisions	2,21,848	24,95,407
(Increase) / Decrease in Inventories	(11,80,25,900)	(2,97,59,931)
(Increase) / Decrease in Trade Receivables	5,85,403	(3,00,64,785)
(Increase) / Decrease in Short Term Loans & Advances	(22,87,169)	(61,85,530)
(Increase) / Decrease in Other Current Assets	10,008	(95,189)
	<u>(13,46,44,332)</u>	<u>(3,39,21,715)</u>
<b>Cash Generated from Operation</b>	<b>1,99,03,333</b>	<b>5,58,51,047</b>
Taxes Paid	(2,72,99,996)	(57,31,897)
<b>Net Cash Flow from Operating Activities</b>	<b>(73,96,663)</b>	<b>5,01,19,150</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Increase/Decrease in Property, Plant & Equipment (Net)	(5,18,70,042)	(5,20,47,193)
Interest Received / other Non-Operative Receipts	6,06,135	83,57,531
Increase/Decrease in Non-Current Investments	(13,20,000)	66,41,003
(Increase/Decrease in Log-Term Loans & Advances	63,47,407	(1,30,11,423)

Net Cash Flow from/(used) in Investing Activities	(4,62,36,500)	(5,00,60,083)
<b>C CASH FLOW FROM FINANCING ACTIVITIES</b>		
Increase/Decrease in Long Term Borrowings	2,09,90,144	2,36,05,669
Increase/Decrease in Short Term Borrowings	6,84,64,190	(1,10,68,452)
Financial Cost	(3,36,48,536)	(2,53,49,247)
Dividend & DDT	(36,13,645)	(36,07,718)
<b>Net Cash Flow from/(used) in Financing Activities</b>	<b>5,21,92,154</b>	<b>(1,64,19,748)</b>
Net Increase/(decrease) in Cash & Cash Equivalents(A+B+C)	<b>(14,41,010)</b>	<b>(1,63,60,681)</b>
Cash & Cash Equivalents at the beginning of the period	35,08,551	1,98,69,232
	<b>20,67,541</b>	<b>35,08,551</b>
<b>Cash &amp; Cash Equivalents at the end of the period</b>	<b>20,67,541</b>	<b>35,08,551</b>

COMPONENTS OF CASH & CASH EQUIVALENTS	Year ended 31-03-2019		Year ended 31-03-2018	
(a) Balance with banks	1,42,533		12,17,738	
(b) Cash on hand	12,34,432		4,74,900	
(C) Earmarked balances with banks	6,90,555	<b>20,67,541</b>	18,15,913	<b>35,08,551</b>

- 1) 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.
- 2) Figures of Cash & Cash Equivalents have been taken from Note 16.
- 3) Figures in bracket indicate outflow.

As per our report of even date attached  
**For SVK & ASSOCIATES**  
**Chartered Accountants**  
 Firm Reg. No. 118564W

On behalf of the Board of Directors  
**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

**Date:** 29.05.2019  
**Place:** Shapar, Rajkot

**Vishal V. Changela**  
 CFO

**Dimpi Sampat**  
 Company Secretary

## NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR 2018-2019

### 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 Job work Income & Wind Power Generation.

#### **Issue of Bonus Shares**

During the year FY 18-19, the Company issued 4,796,000 Equity Shares as fully paid up Bonus Shares in the ratio of 4:5 by capitalization of Reserves & Surplus and allotment done on March 9th, 2019.

### 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 accountings 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 requires 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 recognized when significant risks and rewards of ownership of goods have been passed to the buyer.

**Power Generation Income:**

Power generation income is recognized 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 recognized on a time proportion basis taking into account the amount outstanding and the rate applicable.

**Job work Income:**

Revenue is recognized 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 capitalized.

**(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 realizable 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**

Assets acquired as leases where a significant portion of risk and rewards of ownership are retained by the lesser 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 amortized 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 incomes 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 recognized, only if there is a virtual certainty of its realization, supported by convincing evidence. At each Balance Sheet date, the carrying amount of deferred tax assets are reviewed to reassure realization. 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 recognized 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.

As per our report of even date attached  
**FOR SVK& ASSOCIATES**  
Chartered Accountants  
Firm Reg. No. 118564W

On behalf of the Board of Directors  
**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

Date: 29.05.2019  
Place: Shapar, Rajkot

**Vishal V. Changela**  
CFO

**Dimpi Sampat**  
Company Secretary

PARTICULARS		As at 31-03-2019 Rupees		As at 31-03-2018 Rupees	
<b>3</b>	<b>SHARE CAPITAL</b> (Refer Note No. 1)				
(i)	<b>Authorized:</b> 12,000,000 Equity Shares of Rs. 10/- Each (Previous year 10,000,000 Equity Shares of Rs. 10/- each)	12,00,00,000		10,00,00,000	
	<b>Issued, Subscribed &amp; Fully Paid:</b> - 10,791,000 Equity Shares of Rs. 10/- Each fully paid (Previous year 5,995,000 Equity Shares of Rs. 10/- each fully paid)	10,79,10,000		5,99,50,000	
	- Subscribed but not fully paid				
(ii)	<b>Reconciliation of number of Equity Shares:</b> Equity Shares: Shares outstanding at the beginning of the year	59,95,000	5,99,50,000	59,95,000	5,99,50,000
	Shares issued during the period	47,96,000	4,79,60,000	-	-
	Shares bought back during the year	-	-	-	-
	Shares outstanding at the end of the year	<b>1,07,91,000</b>	<b>10,79,10,000</b>	<b>59,95,000</b>	<b>5,99,50,000</b>
(iii)	<b>Terms/rights attached to equity shares</b> 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.				
(v)	Shareholders holding more than 5% Shares: Names of Shareholders:	<b>As at 31.03.2019</b>		<b>As at 31.03.2018</b>	
	Hiralal G. Changela	No. of Shares held	% of holding	No. of Shares held	% of holding
	Vrajlal G. Changela	6,62,500	11.05%	6,47,500	10.80%
	Dilipkumar G. Changela	6,55,000	10.93%	6,47,500	10.80%
		6,66,250	11.11%	6,47,500	10.80%

(vi)	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	47,96,000	4,79,60,000	-	-
	- Aggregate number and class of shares bought back	-	-	-	-
(vii)	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	-	-	-	-
(viii)	Calls unpaid	-	-	-	-
(ix)	Forfeited shares	-	-	-	-

Particulars		As at 31-03-2019 Rupees	As at 31-03-2018 Rupees
<b>4</b>	<b>RESERVE AND SURPLUS</b>		
(a)	<b>Security Premium Reserve</b> (Refer Note No. 1)		
	Opening Balance	74,50,000	74,50,000
	Less: Bonus Shares Issued During the Year	74,50,000	-
	<b>Closing Balance</b>	<b>-</b>	<b>74,50,000</b>
(b)	<b>Other Reserves</b>		
	- Capital Reserve - Cash Subsidy	14,29,623	14,29,623
	- General Reserve	54,55,173	54,55,173
	<b>Closing Balance</b>	<b>68,84,796</b>	<b>68,84,796</b>
(c)	<b>Balance in Statement of Profit and Loss Account</b>		
	- Opening Balance	4,57,49,435	1,51,13,739
	- Less: Interim Dividend	(29,97,500)	(29,97,500)
	- Less: Tax on Interim Dividend	(6,16,145)	(6,10,218)
	- Less: Utilized for Bonus shares issued	(4,05,10,000)	-

- Add: Profit for the year		6,39,80,828	3,42,43,415
<b>Closing Balance</b>	<b>(c)</b>	<b>6,56,06,619</b>	<b>4,57,49,435</b>
	<b>Total (a+b+c)</b>	<b>7,24,91,415</b>	<b>6,00,84,231</b>

## 5 LONG TERM BORROWINGS

<b>(a) Term Loans:</b>			
Secured Loan:			
- From banks		76,30,672	77,54,624
- From Financial Institutions		12,91,107	30,43,416
	<b>(a)</b>	<b>89,21,779</b>	<b>1,07,98,040</b>
<b>(b) Loans and Advances from Related Parties:</b>			
Unsecured:			
- From Directors		7,14,93,189	6,43,55,208
- From Relatives		13,05,39,552	11,48,65,125
	<b>(b)</b>	<b>20,20,86,741</b>	<b>17,92,20,336</b>
	<b>Total (a+b)</b>	<b>21,10,08,520</b>	<b>19,00,18,376</b>

### Notes:

#### Secured Loans:

##### Term Loans from Banks

Secured by first and exclusive charge on all existing and future receivables / current assets / moveable assets / moveable fixed assets of the Company, Registered Equitable Mortgage of factory land & building and personal guarantee of Directors and Relative of Directors.

##### Vehicle Loans from Banks

Amount O/s. Rs. 2,923,307/- Secured against hypothecation of vehicles financed.

##### Vehicle Loans from Financial Institutions

Amount O/s. Rs. 108,856/- Secured against hypothecation of vehicles financed.

##### Unsecured loans from related parties:

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 @ 12% p.a. (12% p.a.)

## 6 DEFERRED TAX LIABILITY (NET)

	Deferred Tax Liability/ (Asset) as at 31-03-2019	Deferred Tax Liability/ (Asset) as at 31-03-2018
- Timing difference related to Property, Plant & Equipment	58,27,126	57,96,555
<b>Total</b>	<b>58,27,126</b>	<b>57,96,555</b>

## 7 SHORT TERM BORROWINGS

#### Secured:

Working Capital Facilities from Bank	11,34,52,068	4,49,87,878
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Total	11,34,52,068	4,49,87,878
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**Note:**
**Working Capital Facilities from Banks:**

Secured by first and exclusive charge on all existing and future receivables / current assets / moveable assets/moveable fixed assets of the Company, Registered Equitable Mortgage of factory land & building and personal guarantee of Directors and Relative of Directors. Rate of interest at 9.80% p.a. subject to change from time to time.

**8 TRADE PAYABLES**
*(Refer Note No. 41)*

Micro & Small Enterprises	-	-
Other than Micro & Small Enterprises	3,26,28,041	4,69,90,266
<b>Total</b>	<b>3,26,28,041</b>	<b>4,69,90,266</b>

**9 OTHER CURRENT LIABILITIES**

(a) Current Maturities of Long-Term Debts	40,47,323	49,39,788
(b) Interest Accrued but not Due on Borrowings	6,95,078	3,17,402
(c) Advances Received from Customers	-	30,00,000
(d) Statutory Liabilities	47,67,678	20,39,187
<b>Total</b>	<b>1,02,96,377</b>	<b>1,02,96,377</b>

**10 SHORT TERM PROVISIONS**

(a) Provision for employee benefits <i>(Refer Note No. 37)</i>	35,68,740	38,42,680
(b) Provision for current income-tax	26,000,000	1,12,50,000
(c) Other provisions	46,61,998	41,66,209
<b>Total</b>	<b>3,42,30,738</b>	<b>1,92,58,889</b>

**Note-11 PROPERTY, PLANT & EQUIPMENTS:**

Particulars	GROSS BLOK				DEPRECIATION				NET BLOK	
	Balance 01.4.18	Addition	Disposal	Balance 31.3.19	Balance 01.4.18	For the Year	Disposal	Balance 31.3.19	Balance 31.3.19	Balance 31.3.18
	Rs. (in lac)	Rs. (in lac)	Rs. (in lac)	Rs. (in lac)	Rs. (in lac)	Rs. (in lac)	Rs. (in lac)	Rs. (in lac)	Rs. (in lac)	Rs. (in lac)
<b>I TANGIBLE ASSETS</b>										
Lands	1.77	17.48	-	19.25	-	-	-	-	19.25	1.77
Factory Building	379.52	91.76	-	471.28	161.84	27.99	-	189.83	281.45	217.68
<b>Plant &amp; Machineries</b>				2655.22						
Machinery	2382.03	273.19	-	2655.22	1071.15	246.95	-	1318.10	1337.12	1310.88
Furnace	15.65	-	-	15.65	11.65	0.76	-	12.41	3.23	4.00
Electric Attendance System	2.46	-	-	2.46	0.60	0.34	-	0.94	1.52	1.86
Electrification	35.93	-	-	35.93	25.00	2.03	-	27.03	8.90	10.93
Refrigerator	0.32	-	-	0.32	0.22	0.02412	-	0.24157	0.07943	0.10355
Mobile & Telephone	4.38	0.68	-	5.072	1.90	0.48	-	2.38	2.69	2.48
Air Conditioner	6.40	2.54	-	8.94	3.73	1.10	-	4.84	4.10	2.67
Water Filter	0.9477	-	-	0.9477	0.7138	0.04431	-	0.7580	0.1897	0.23397
CCTV System	16.30	-	-	16.30	5.43	1.98	-	7.41	8.87	10.87
Weighing Scale	1.46	-	-	1.46	0.7781	0.12598	-	0.90408	0.55922	0.68520
Furniture & Fixtures	11.54	10.51	-	22.06	8.01	2.61	-	10.62	11.43	3.53

<b>Computers &amp; Software</b>	26.04	4.62	-	30.66	20.16	5.17	-	25.33	5.32	5.88
<b>Vehicles</b>										
Motor Cars	123.05	6.1759	-	129.22	42.45	26.37	-	68.82	60.39	80.59
Motorcycles	1.41052	-	-	1.41052	1.2834	0.02971	-	1.31	0.09738	0.12709
<b>Office Equipment</b>	-	0.52748	-	0.52748	-	0.15926	-	0.15926	0.36822	-
<b>Windmill Plant &amp; Machinery</b>	129.30	-	-	129.30	82.98	5.6981	-	88.6773	40.6248	46.32301
<b>TOTAL - TANGIBLE ASSETS</b>	<b>3138.554</b>	<b>407.4907</b>	<b>-</b>	<b>3546.044</b>	<b>1437.918</b>	<b>321.887</b>	<b>-</b>	<b>1759.806</b>	<b>1786.238</b>	<b>1700.635</b>

<b>II CAPITAL WORK IN PROGRESS</b>										
Factory Building	86.2128	5.5437	91.7565	-	-	-	-	-	-	-
New Construction on SIDC Road	-	186.7930	-	186.7930	-	-	-	-	186.7930	-
New Factory Building	0.31056	10.6294	-	10.9399	-	-	-	-	10.9399	-
<b>Total</b>	<b>86.5233</b>	<b>202.966</b>	<b>91.756</b>	<b>197.7330</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>197.7330</b>	<b>86.5233</b>
<b>GRAND TOTAL</b>	<b>3225.07</b>	<b>610.456</b>	<b>91.756</b>	<b>3743.777</b>	<b>1437.918</b>	<b>321.88</b>	<b>-</b>	<b>1759.806</b>	<b>1983.9717</b>	<b>1787.1592</b>
<b>GRAND TOTAL PREVIOUS YEAR</b>	<b>2737.14</b>	<b>527.706</b>	<b>39.772</b>	<b>3225.077</b>	<b>1193.353</b>	<b>277.102</b>	<b>32.53</b>	<b>1437.918</b>	<b>1787.1592</b>	<b>1543.7897</b>

## 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. 2,83,925 (2,65,532)]	2,16,000	2,16,000
Franklin India Equity & Focused Equity (G) [MV Rs. 9,10,039 (4,87,249)]	8,19,001	4,59,001
ICICI Pru-Baln Advantage Fund Reg (G) [MV Rs. 10,58,149 (MV Rs.9,91,378)]	5,85,066	5,85,066
ICICI Prudential Infrastructure [MV Rs. 99,500 (MV Rs. 98,619)]	80,666	80,666
IDFC Multi Cap Reg (G) [MV Rs. 2,69,364 (MV Rs. Nil)]	2,15,952	-
IDFC Premier Equity Fund Reg (G) [MV Rs. Nil (MV Rs. 2,59,023)]	-	2,15,952
DSP Blackrock Small and Midcap Fund [MV Rs. 5,35,980(2,24,845)]	5,25,000	2,25,000
ICICI Prudential Focused Blue-Chip Equity Fund[MV Rs.6,36,883 (2,37,845)]	6,00,000	2,40,000
IDFC Core Equity Reg (G) [MV Rs.5,42,265 (Nil)]	5,25,000	-
IDFC Classic Equity Fund	-	2,25,000



	[MV Rs. Nil (2,23,594)]		
		<b>Total</b>	<b>36,04,385</b>
			<b>22,84,385</b>
<b>13</b>	<b>LONG TERM LOANS AND ADVANCES</b>		
	(Unsecured and considered good as certified by the mgt)		
(a)	Security Deposits		53,65,661
(b)	Capital Advances		1,04,21,225
		<b>Total</b>	<b>1,57,86,886</b>
			<b>2,21,34,293</b>
<b>14</b>	<b>INVENTORIES</b>		
	(As taken, valued & certified by the management)		
(a)	Raw Materials		15,32,60,364
(b)	Work-in-process		7,86,54,525
(c)	Finished Goods		-
(d)	Others - Waste & Scrap		1,21,904
		<b>Total</b>	<b>23,20,36,793</b>
			<b>11,40,10,893</b>
<b>15</b>	<b>TRADE RECEIVABLES</b>		
	(Unsecured and considered good as certified by the management) (Refer Note No. 40)		
	Unsecured, considered good:		
	- Outstanding or a period exceeding six months from the date they are due for payment.		10,69,146
	- Outstanding or a period less than six months from the date they are due for payment.		9,68,63,027
		<b>Total</b>	<b>9,85,17,576</b>
			<b>9,85,17,576</b>
<b>16</b>	<b>CASH &amp; CASH EQUIVALENTS AND BANK BALANCES OTHER THAN CASH &amp; CASH EQUIVALENTS</b>		
(i)	Cash and Cash Equivalents:		
	Cash on hand		12,34,432
		<b>(a)</b>	<b>12,34,432</b>
(ii)	Bank Balances other than Cash and Cash Equivalents:		
	(a) Balance with banks		1,42,553
	(b) Earmarked balances with banks		6,90,555
		<b>(b)</b>	<b>8,33,108</b>
		<b>Total (a+b)</b>	<b>20,67,541</b>
			<b>35,08,551</b>
<b>17</b>	<b>SHORT TERM LOANS &amp; ADVANCES</b>		
	(Unsecured and considered good as certified by the mgt.)		
(a)	Balances with Revenue Authorities		2,97,28,712
(b)	Advance to Suppliers & Employees		70,97,369
(c)	Prepaid Expenses		1,11,795
			<b>1,57,65,719</b>
			<b>21,09,963</b>
			<b>30,105</b>

	Total	3,69,37,876	1,79,05,787
<b>18 OTHER CURRENT ASSETS</b> (Unsecured and considered good as certified by the mgt.)			
Income Receivable		2,95,155	3,05,163
<b>Total</b>		<b>2,95,155</b>	<b>3,05,163</b>
<b>19 REVENUE FROM OPERATION</b>			
(a) Sale of products (Bearing Rollers & Scrap)		80,28,20,221	56,51,13,041
(b) Other Operating Revenues		25,63,598	32,87,409
		<b>80,53,83,819</b>	<b>56,84,00,450</b>
Less: Excise Duty		-	1,39,89,522
<b>Total</b>		<b>80,53,83,819</b>	<b>55,44,10,928</b>
<b>20 OTHER INCOME</b>			
(a) Dividend Income		4,701	20,304
(b) Interest Income		6,01,434	10,66,391
(c) Foreign Exchange Rate Fluctuation		31,44,931	19,13,855
(d) Profit on Sale of Fixed Assets		-	3,66,552
(e) Gain on Mutual Funds		-	69,04,284
(f) Transportation Income		10,60,000	
(g) Duty Drawback on Export Sales		21,173	25,922
(i) Misc. Income		-	2,68,803
<b>Total</b>		<b>48,32,239</b>	<b>1,05,66,111</b>
<b>21 COST OF RAW MATERIAL AND STORES CONSUMED</b>			
Opening Stock:		8,91,00,049	5,09,43,320
Add: Purchases		59,89,72,412	37,11,75,189
		<b>68,80,72,461</b>	<b>42,21,18,509</b>
Less: Closing Stock		15,32,60,364	8,91,00,049
<b>Total</b>		<b>53,48,12,097</b>	<b>33,30,18,460</b>
<b>22 CHANGE IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROCESS &amp; STOCK-IN-TRADE:</b>			
Opening Stock:			
Finished Goods		-	-
Semi-Finished Goods		2,43,15,200	3,31,85,700
Scrap/Wastage		5,95,644	1,21,942
<b>(a)</b>		<b>2,49,10,844</b>	<b>3,33,07,642</b>
Less: Closing stock:			
Finished Goods		-	-
Semi-Finished Goods		7,86,54,525	2,43,15,200
Scrap/Wastage		1,21,904	5,95,644
<b>(b)</b>		<b>7,87,76,429</b>	<b>2,49,10,844</b>
<b>Total</b>		<b>(5,38,65,585)</b>	<b>83,96,798</b>

	(a-b)		
<b>23 EMPLOYEE BENEFITS EXPENSES</b>			
(a) Salary, Wages and Bonus (including directors' remuneration)		7,95,80,737	5,53,78,768
(b) Contribution to Provident Fund & Gratuity Fund		45,17,415	52,99,433
(c) Staff Welfare Expenses		24,01,574	16,97,113
<b>Total</b>		<b>8,64,99,726</b>	<b>6,23,75,314</b>
<b>24 FINANCIAL COSTS</b>			
(a) Interest Expenses			
Interest on Bank Cash Credit		49,39,749	37,05,845
Interest on Bank Term Loan		11,80,444	3,27,359
Interest on Unsecured Loans		2,25,03,095	2,00,41,117
Interest on Bill Discount		13,73,957	-
Interest on Buyers Credit		-	1,80,659
Interest on Car Loan		4,25,013	3,63,005
Other Interest Cost		2,95,166	3,50,250
<b>(a)</b>		<b>3,07,17,423</b>	<b>2,49,68,235</b>
(b) Other Finance Costs			
Bank LC Issued Charges		1,06,439	85,807
Loan Processing Fee		22,36,750	15,799
Interest on Bank FD (Reversed)		3,84,507	-
Bank Commission & Charges		2,03,416	2,79,406
<b>(b)</b>		<b>29,31,112</b>	<b>381012</b>
<b>Total (a+b)</b>		<b>3,36,48,536</b>	<b>2,53,49,247</b>
<b>25 OTHER EXPENSES</b>			
(a) <b>Manufacturing &amp; Operating Costs</b>			
Consumption of Electric, Power and Fuel		37657699	2,62,68,586
Machinery Repairs & Maintenance		2883730	16,33,614
Building Repairs & Maintenance		8006	3,79,169
Electric Repairs & Maintenance		2221989	16,96,404
Job work Expenses		15354352	1,13,84,157
Transportation & Labor Charges		10904422	86,92,034
Other Manufacturing & Operating Exp.'		10598241	79,20,120
<b>(a)</b>		<b>7,96,28,439</b>	<b>5,79,74,085</b>
(b) <b>Sales &amp; Distribution Expenses</b>			
Advertisement & Sales Promotion Exp.'		17,256	6,430
<b>(b)</b>		<b>17,256</b>	<b>6,430</b>
(c) <b>General &amp; Administrative Expenses</b>			
Audit Fees		60,000	50,000
Legal & Professional Expenses		18,74,791	17,18,854
Insurance		6,95,637	4,19,012
Rent		5,000	5,000
Rates & Taxes		11,67,272	58,299

Conveyance, Tour and Travelling Expenses	5,34,141	3,74,881
General Administration Expenses	36,28,483	24,49,614
(c)	<b>79,70,324</b>	<b>50,75,659</b>
<b>Total (a+b+c)</b>	<b>8,76,16,019</b>	<b>6,30,56,174</b>
<b>26 Earnings per Share (EPS)</b>		
(a) Profit after tax for calculation of Basic and Diluted EPS	6,39,80,828	3,42,43,415
(b) Weighted average number of equity shares outstanding for calculating EPS (Adjusted for Bonus Issue)	1,07,91,000	1,07,91,000
(c) Basic and Diluted EPS (Adjusted for Bonus Issue)	5.93	5.71
<b>27 Contingent Liabilities and Commitments</b> (to the extent not provided for)		
(a) Letter of Credits issued by bank	2,58,82,396	1,10,96,960
(b) Disputed Liability in Appeal:		
(i) Income-tax	-	1,85,530
(Contingent liabilities as disclosed above are as certified by the management of the company)		
<b>28 Value of imports calculated on CIF basis by the company during financial year in respect of</b>		
i. Raw materials	35,15,74,229	23,80,04,929
ii. Capital Goods	77,42,350	38,37,425
<b>29 Earnings &amp; Expenditure in foreign currency</b>		
(a) <b>Earnings</b>		
Sale of Goods	6,67,133	22,27,671
(b) <b>Expenditures</b>	-	-
<b>30 Imported and Indigenous Material Consumed</b>		
(i) Total value of imported raw materials, spare parts and components consumed during the financial year	31,54,26,558	20,06,48,166
(ii) Total value of all indigenous raw materials, spare parts and components similarly consumed	21,93,85,539	13,23,70,294
(iii) Total value of imported and indigenous raw materials, spare consumed during the financial year	53,48,12,097	33,30,18,460
(iv) Imported raw materials and spare parts consumed in %	58.98%	60.25%
(v) Indigenous raw materials and spare parts consumed in %	41.02%	39.75%

<b>31</b>	<b>Payment to Auditors (Excluding Service tax)</b> - Audit Fees	65,000	50,000
<b>32</b>	<b>Details of raw materials consumed: (In Rupees)</b> Steel Coil, Consumable Stores & Packing Materials	53,48,12,097	33,30,18,460
<b>33</b>	<b>Details of Manufactured Goods: (In Rupees)</b> <b>Product</b>		<b>Bearing Rollers &amp; Scrap</b>
	Opening Stock	5,95,644	1,21,942
	Closing Stock	1,21,904	5,95,644
	Sales (Excl. Taxes)	80,28,20,221	55,11,23,519
<b>34</b>	There is no employees getting remuneration as required under Section 217 (2-A) of the Companies Act, 2013	NA	NA
<b>35</b>	In the opinion of the Board and to the best of its knowledge and belief, the value on realization 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.		
<b>36</b>	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 Actuarial Valuation Report.

<b>Particulars</b>	<b>2018-19</b>	<b>2017-18</b>
Opening defined benefit obligation	17,89,099	4,86,521
Add: Provision during the year	16,39,249	17,89,099
Less: Payment / Contribution during the year	17,15,596	4,86,521
Closing Defined benefit obligation	17,12,752	17,89,099

- 38** Previous year's figure has 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.
- 39** 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.

**40 Related Party Disclosure**
**(i) List of Related Parties and Relationship**

Name of Related party	Relationship
<b>Key Management Personnel (KMP)</b>	
Dilipkumar G. Changela	Managing Director
Vrajlal 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  
 Yesha Darshit Changela

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

Virdeep Engineering Pvt. Ltd.  
 Virdeep Bearings Rollers LLP  
 Vijay Petroleum Co.

(ii)	Nature of transactions	Interest Rupees	Loan Received (Paid) Rupees	Remuneration /Salary /Leave Pay/Bonus Rupees	Purchase/ sales/ Jobwork expense/ jobwork income
<b>2018-2019</b>					
	Dilipkumar G. Changela	28,22,150	-	20,00,000	-

	22,42,13	-	20,00,000	-
Hiralal G. Changela	0			
	28,66,81	(500,000)	20,00,000	-
Vrajlal G. Changela	0			
Vrajlal G. Changela	-	5,00,000	-	-
Vishal V. Changela	7,73,654	(664,000)	19,55,231	-
Vishal V. Changela	-	4,00,000	-	-
	14,58,83	-	-	-
Rambhaben G. Changela	5			
	13,52,47	(3,00,000)	19,55,231	-
Darshit D. Changela	2			
Divyeshbhai H. Changela	8,97,122	-	19,55,231	-
	16,41,32	-	-	-
Girishkumar G. Changela	2			
Hansaben Gopaldas Dharsandia	4,62,204	-	-	-
Jaynaben G. Changela	8,24,989	(7,23,549)	-	-
	13,62,84	(2,53,330)	-	-
Jayshreeben H. Changela	5			
Manjulaben Jayantilal Marvania	3,70,879	-	-	-
Prashantkumar G. Changela	5,46,730	(3,69,598)	-	-
Rajan Girishkumar Changela	5,15,022	3,48,163	-	-
	12,93,23	-	-	-
Jyotiben V. Changela	9			
Vijaykumar V. Changela	6,46,070	(4,64,000)	19,55,231	-
Rasilaben D. Changela	7,72,267	(5,21,160)	-	-
Rinkuben Divyeshbhai Changela	6,63,299	10,00,000	-	-
Rinkuben Divyeshbhai Changela	-	(253,330)	-	-
Jayendrakumar Govindbhai Trambadia	25,518	(22,371)	-	-
Jayeshkumar Govindbhai Trambadia	49,254	(43,181)	-	-
Jitendrakumar Govindbhai Trambadia	47,755	(41,867)	-	-
Yesha Darshit Changela	8,68,529	40,00,000	-	-
	-	-	-	90,91,242 (JE)
Virdeep Bearings Rollers LLP	-	-	-	1,52,55,515(S)
Virdeep Bearings Rollers LLP	-	-	-	)
Vijay Petroleum	-	-	-	30,910 (E)
<b>2017-2018</b>				
	25,40,38	-	15,00,000	-
Dilipkumar G. Changela	1			
	20,18,27	-	15,00,000	-
Hiralal G. Changela	2			

	25,80,62	-	15,00,000	-
Vrajlal G. Changela	2			
Vishal V. Changela	7,29,187	(2,66,000)	10,18,239	-
	13,13,18	-	-	-
Rambhaben G. Changela	3			
Bhumiben Dilipbhai Changela	3,21,028	(32,74,847)	-	-
	12,61,60	(1,00,000)	10,18,239	-
Darshit D. Changela	1			
Divyeshbhai H. Changela	8,33,821	(2,40,000)	10,18,239	-
	14,77,45	-	-	-
Girishkumar G. Changela	0			
Hansaben Gopaldas Dharsandia	4,16,057	-	-	-
Jaynaben G. Changela	7,96,540	(3,59,372)	-	-
Jayshreeben H. Changela	5,93,368	(23,030)	-	-
Manjulaben Jayantilal Marvania	1,70,868	-	-	-
Prashantkumar G. Changela	2,65,874	-	-	-
Rajan Girishkumar Changela	2,50,454	-	-	-
Jyotiben V. Changela	5,95,809	-	-	-
Vijaykumar V. Changela	3,18,627	(22,000)	10,18,239	-
Rasilaben D. Changela	3,77,865	(43,430)	-	-
Rinkuben Divyeshbhai Changela	2,71,015	(23,030)	-	-
Jayendrakumar Govindbhai Trambadia	12,309	-	-	-
Jayeshkumar Govindbhai Trambadia	23,759	-	-	-
Jitendrakumar Govindbhai Trambadia	23,036	-	-	-
Yesha Darshit Changela	12,164	37,00,000	-	-
	-	-	-	14,78,024 (JE)
Virdeep Bearings Rollers LLP	-	-	-	331,026 (S)
Vijay Petroleum	-	-	-	25336 (E)

**Particulars**

Dues from company under the same management / entities where KMP and relatives of KMP have significant influence:

Trade Receivables

Advances to Creditors

**31-03-2019**

Virdeep Bearing Rollers LLP

Virdeep Engineering Pvt Ltd

55,95,886

6,48,910

4,16,553

**31-03-2018**

Virdeep Engineering Pvt Ltd

6,48,910

4,16,553

41 There is no dues payable (including interest) by the company as at the end of the year to Micro and Small Enterprises as per Micro, Small & Medium Enterprises Development Act, 2006 and also no interest due and payable for the year on account of delay in making payment during the year. (As certified by the management of the Company)

42 Wherever no vouchers and documentary evidences were made available for our



verification, we have relied on the authentication given by management of the company.

- 43** Figures have been rounded off to nearest rupee and have been regrouped, rearranged and reclassified wherever necessary.

**Signature to Note No. 1 to 43**

As per our report of even date attached

On behalf of the Board of Directors  
**FOR, VISHAL BEARINGS LTD.**

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

**Shilpang V. Karia**  
Partner  
M. No. 102114

**D. G. Changela**  
Managing Director  
DIN: 00247302

**H. G. Changela**  
Whole Time Director  
DIN: 00247292

**Date:** 29.05.2019  
**Place:** Shapar, Rajkot

**Vishal V. Changela**  
CFO

**Dimpi Sampat**  
Company Secretary

**Notice  
of  
28<sup>th</sup>  
Annual  
General  
Meeting**

**VISHAL BEARINGS LIMITED**  
**CIN: L29130GJ1991PLC016005**

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

Tel: 2827-252273, Fax: 2827-253087  
Email: [legal@vishalbearings.com](mailto:legal@vishalbearings.com)  
Website: [www.vishalbearings.com](http://www.vishalbearings.com)

**NOTICE IS HEREBY GIVEN THAT THE 28TH ANNUAL GENERAL MEETING OF THE MEMBERS OF VISHAL BEARINGS LIMITED WILL BE HELD ON SATURDAY, SEPTEMBER 28, 2019 AT 4:00 P.M. AT REGISTERED OFFICE OF THE COMPANY 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 March 31, 2019 together with the Reports of the Directors and the Independent Auditors thereon.**
- 2. To confirm the payment of interim dividend as a final Dividend on Equity Shares for the year ended March 31, 2019.**
- 3. To appoint a director in place of Mr. Vrajlal Changela, Director (DIN 00247295) who retires by rotation and being eligible offers himself for reappointment.**

**Special Business:**

- 4. Regularization of appointment of Mrs. Ameer Ketankumar Dadhanian From Additional Non-Executive Independent Director to Non-Executive Independent Director, and if thought fit, to pass with or without modification(s), the following resolution as ordinary resolution:**

**“RESOLVED THAT** pursuant to the provisions of Sections 149, 152 and any other applicable provisions of the Companies Act, 2013 and rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013, and other applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, approval of the members of the company be and is hereby given to the appointment of, Mrs. Ameer Ketankumar Dadhanian (holding DIN: 08546107), who was appointed by the Board of Directors as an Additional Non Executive Independent Director of the Company with effect from August 27, 2019 pursuant to the provisions of section 161(1) of the Companies Act, 2013 and pursuant to the applicable Articles of Association of the company, and who holds office upto the date of this Annual General Meeting of the Company in terms of Section 161 of the Companies Act, 2013 and who has submitted a declaration that she meets the criteria of the independent directorship as provided in section 149(6) of the Act and she is not debarred from holding the office of director by virtue of any SEBI order or any other such authority, who is eligible for appointment, on recommendation of the

Nomination and Remuneration Committee, be and is hereby appointed as an Independent Non Executive Director of the Company, who shall hold office for a period of five years from the date of appointment and whose office shall not, henceforth, be liable to retire by rotation.”

**5. To consider, increase in remuneration to Mr. Dilipkumar Changela, Managing Director, and if thought fit, to pass with or without modification(s), the following resolution as special resolution:**

**“RESOLVED THAT** pursuant to provisions of sections 2(94), 196, 197, 198, 203 and any other applicable provisions of the Companies Act, 2013 and The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 made there under (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule V to the Companies Act, 2013, subject to the approval of Central Government or other Government authority/agency/board, if any, approval of the Company be and is hereby accorded to increase a remuneration from Rs. 25,00,000/- (Rupees Twenty-Five Lacs Only) to Rs. 27,00,000 (Rupees Twenty-Seven Lacs Only) per annum to Mr. Dilipkumar Changela, Managing Director of the Company, the details of which are given in the Explanatory Statement annexed hereto.

**RESOLVED FURTHER THAT** in the event of inadequacy or absence of profit in any financial term Mr. Dilipkumar G. Changela, Managing Director shall be paid the same remuneration as stated hereinabove, as minimum remuneration but subject to upper limit any prescribed under schedule V of the Companies Act, 2013 from time to time.

**RESOLVED FURTHER THAT** Mr. Hiralal Changela or Mr. Vrajlal Changela, director of the Company be and is hereby severally authorized to take such steps as may be necessary for obtaining approvals, statutory or otherwise, in relation to the aforesaid and to settle all matters arising out of and incidental thereto and sign and execute all applications, documents and writings that may be required, on behalf of the Company and generally to do all acts, deeds and things that may be necessary, proper, expedient or incidental for the purpose of giving effect to the aforesaid Resolution and also to revise the remuneration of Mr. Dilipkumar G. Changela within the limits stipulated in the Companies Act, 2013.”

**6. To consider, increase in remuneration to Mr. Hiralal Changela, Whole time Director, and if thought fit, to pass with or without modification(s), the following resolution as special resolution:**

**“RESOLVED THAT** pursuant to provisions of sections 2(94), 196, 197, 198, 203 and any other applicable provisions of the Companies Act, 2013 and The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 made there under (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule V to the Companies Act, 2013, subject to the approval of Central Government or other Government authority/agency/board, if any, approval of the Company be and is hereby accorded to increase a remuneration from Rs. 25,00,000/- (Rupees Twenty-Five Lacs Only) to Rs. 27,00,000 (Rupees Twenty-Seven Lacs Only) per annum to Mr. Hiralal Changela, whole time Director of the Company, the details of which are given in the Explanatory Statement annexed hereto.

**RESOLVED FURTHER THAT** on being re-appointed as a director immediately on retirement by rotation, Mr. Hiralal G. Changela, shall continue to hold the office of Whole Time Director and the reappointment as such director shall not be deemed to constitute a break in her tenure as a Whole Time Director.

**RESOLVED FURTHER THAT** in the event of inadequacy or absence of profit in any financial term Mr. Hiralal G. Changela, whole time director shall be paid the same remuneration as stated herein above, as minimum remuneration but subject to upper limit any prescribed under schedule V of the Companies Act, 2013 from time to time.

**RESOLVED FURTHER THAT** Mr. Dilipkumar Changela or Mr. Vrajlal Changela, director of the Company be and is hereby severally authorized to take such steps as may be necessary for obtaining approvals, statutory or otherwise, in relation to the aforesaid and to settle all matters arising out of and incidental thereto and sign and execute all applications, documents and writings that may be required, on behalf of the Company and generally to do all acts, deeds and things that may be necessary, proper, expedient or incidental for the purpose of giving effect to the aforesaid Resolution and also to revise the remuneration of Mr. Hiralal G. Changela within the limits stipulated in the Companies Act, 2013.”

**7. To consider, increase in remuneration to Mr. Vrajlal Changela, Whole time Director, and if thought fit, to pass with or without modification(s), the following resolution as special resolution:**

**“RESOLVED THAT** pursuant to provisions of sections 2(94), 196, 197, 198, 203 and any other applicable provisions of the Companies Act, 2013 and The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 made there under (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule V to the Companies Act, 2013, subject to the approval of Central Government or other Government authority/agency/board, if any, approval of the Company be and is hereby accorded to increase a remuneration from Rs. 25,00,000/- (Rupees Twenty-Five Lacs Only) to Rs. 27,00,000 (Rupees Twenty-Seven Lacs Only) per annum to Mr. Vrajlal Changela, whole time Director of the Company, the details of which are given in the Explanatory Statement annexed hereto.

**RESOLVED FURTHER THAT** on being re-appointed as a director immediately on retirement by rotation, Mr. Vrajlal G. Changela, shall continue to hold the office of Whole Time Director and the reappointment as such director shall not be deemed to constitute a break in her tenure as a Whole Time Director.

**RESOLVED FURTHER THAT** in the event of inadequacy or absence of profit in any financial term Mr. Vrajlal G. Changela, whole time director shall be paid the same remuneration as stated hereinabove, as minimum remuneration but subject to upper limit any prescribed under schedule V of the Companies Act, 2013 from time to time.

**RESOLVED FURTHER THAT** Mr. Hiralal Changela or Mr. Dilipkumar Changela, director of the Company be and is hereby severally authorized to take such steps as may be necessary for obtaining approvals, statutory or otherwise, in relation to the aforesaid and to settle all matters arising out of and incidental thereto and sign and execute all applications, documents and writings that may be required, on behalf of the Company and generally to do all acts, deeds and things that may be necessary, proper, expedient or incidental for the purpose of giving effect to the aforesaid Resolution and also to revise the remuneration of Mr. Vrajlal G. Changela within the limits stipulated in the Companies Act, 2013.”

**Dilipkumar Changela**  
**Managing Director**  
DIN: 00247302

**Place:** Shapar, Rajkot

**Date:** 27.08.2019

**Registered Office:**

VISHAL BEARINGS LIMITED

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

Shapar Main Road, Shapar (Veraval),

Rajkot – 360 024, GUJARAT.

Tel: +91-2827-252273

Email: legal@vishalbearings.com

Website: www.vishalbearings.com

**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.** The statement pursuant to Section 102 of the Companies Act, 2013 in respect to special business is annexed hereto and forms part of this Notice.
- 3.** Members/Proxies are requested to bring duly filed 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.
- 4.** In case of joint holders attending the meeting, the joint holder with highest in order of names will be entitled to vote.
- 5.** 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.

6. The requirement to place the matter relating to appointment of Auditors for ratification by Members at every Annual General Meeting has been done away with vide notification dated May 7, 2018, issued by the Ministry of Corporate Affairs. Accordingly, no resolution is proposed for ratification of appointment of Auditors, who were appointed in the Annual General Meeting held on August 24, 2016.
7. Register of Members and the Share Transfer Books of the Company shall remain closed from September 23, 2019 to September 28, 2019 (both days inclusive).
8. 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.
9. In terms of Companies Act, 2013 read together with the Rules made hereunder, 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.
10. Members are requested to furnish bank details, email address, change of address etc. to Karvy Fintech Private Limited, Karvy Selenium, Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad 500 032, India who are the Company's Registrar and Share Transfer Agents so as to reach them latest by September 23, 2019, in order to take note of the same. In respect of members holding shares in electronic mode, the details as would be furnished by the Depositories as at the close of the aforesaid date will be considered by the Company. Hence, members holding shares in demat mode should update their records at the earliest.
11. In order to receive copies of Annual Reports and other communication through e-mail, members holding shares in physical form are requested to register their e-mail addresses with the Company by sending an e-mail to [legal@vishalbearings.com](mailto:legal@vishalbearings.com).
12. Investor Grievance Redressal:  
The Company has designated an exclusive email id viz. [legal@vishalbearings.com](mailto:legal@vishalbearings.com) to enable Investors to register their complaints, if any.
13. SEBI has decided that securities of listed companies can be transferred only in dematerialized form with effect from April 1, 2019. In view of the above and to avail various benefits of dematerialisation, members are advised to dematerialize shares that are held by them in physical form.
14. 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.
15. 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.
16. 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.

- 17.** Corporate members are requested to send in advance, duly certified copy of the Board Resolution/Power of Attorney authorizing their representative to attend the annual general meeting.
- 18.** 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.
- 19.** 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.
- 20.** Please note that for security reasons, no article/baggage will be allowed at the venue of the meeting.
- 21.** 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>.
- 22.** For more details on shareholders' matters, please refer to the chapter on General Shareholder Information, included in the Annual Report.

## EXPLANATORY STATEMENT

As required by Section 102 of the Companies Act, 2013, the following Explanatory Statement sets out material facts relating to the business under items 4 to 7 of the accompanying Notice.

### ITEM NO. 4

Mrs. Ameer Ketankumar Dadhanian was appointed as an Additional Non Executive Independent Director w.e.f. August 27, 2019 in accordance with the provisions of Section 161 of the Companies Act, 2013. Pursuant to Section 161 of the Companies Act, 2013 the above director holds office up to the date of the ensuing Annual General Meeting. Nomination and Remuneration Committee has recommended regularization of Mrs. Ameer Ketankumar Dadhanian as a Non Executive Independent Director of the Company in accordance with the provisions of Section 160 and any other applicable provisions of the Companies Act, 2013.

In the opinion of the Board Mrs. Ameer Ketankumar Dadhanian, she is a person of integrity, possesses the relevant expertise and experience, fulfils the conditions specified in the said Act and the rules made there under and is independence of the management of the Company and She is not debarred from holding the office of director by virtue of any SEBI order or any other such authority.

The aforesaid Independent Directors have given declarations that they are not disqualified under Section 164 of the Act and that they meet the criteria of independence as prescribed under the Act.

Accordingly, the Board of Directors at its Meeting held on August 27, 2019 has favorably considered the recommendations and seeks the approval of the Members for the appointment of Mrs. Ameer Ketankumar Dadhanian as a Non-Executive Independent Director under the Act, for a term of five years.

None of the directors, managers, key managerial personnel of the Company and their respective relatives are in any way interested in the resolution except Mrs. Ameer Ketankumar Dadhanian.

The profile of the Director proposed to be regularized as an Independent Director under the Act is as under:

Name of Director	Mrs. Ameer Ketankumar Dadhanian
Director Identification Number (DIN)	08546107
Date of Birth	08/02/1984
Date of Appointment	28/09/2019
Qualification	B. com, CA inter
Expertise in Specific Functional Areas	Accounting & Finance
No. of equity shares held in the Company as on March 31, 2019	NIL
List of Directorships held in other Companies excluding foreign companies	NIL
Memberships/Chairmanships of Committees of other Companies (includes only Audit Committee and Stakeholders Relationship Committee)	NIL
Relationships, if any, between Directors inter se	There is no relationship with other Directors on the Board.



**ITEM NO. 5**

Mr. Dilipkumar G. Changela is the Director of the Company and has rich experience in the field of Bearing Rollers. The Board in its meeting held on August 27, 2019, has recommended to increase remuneration Rs. 25,00,000/- (Rupees Twenty-Five Lacs Only) to Rs. 27,00,000 (Rupees Twenty-Seven Lacs Only) Per annum. In case, the Company has no profits or its profits are inadequate, then the remuneration shall be paid to him with the prior approval of the Central Government or in accordance with the provisions of the Companies Act, 2013 read with Schedule V of the Act.

Following are the details of the annual salary (payable monthly) proposed to be paid to Mr. Dilipkumar Changela, Managing Director: -

Consolidated Salary, Perquisites and Performance Bonus, etc – Rs. 27,00,000/- (Rupees Twenty Seven Lac only).

In addition to the above, he shall be entitled to receive the following:

- a) Encashment of leave at the end of tenure.
- b) Provision of car for use on Company's business.
- c) Free landline telephone facility at residence along with free mobile telephone facility.
- d) He shall also be entitled to reimbursement of entertainment expenses actually and properly incurred in the course of business of the Company.

The aforesaid perquisites other than benefits of Leave encashment shall be restricted to the annual salary of Mr. Dilipkumar G. Changela.

**Information required under Section II of Part II of Schedule V of the Companies Act, 2013:**

<b>I. General Information</b>				
Nature of industry	Bearings, rollers manufacturer			
Date or expected date of commencement of commercial production	Company was incorporated on 24 <sup>th</sup> July 1991			
In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus	Not Applicable			
Financial performance based on given indicators	<b>Particulars</b>	<b>2017-2018</b>	<b>2016-2017</b>	<b>2015-2016</b>
	Revenue (Rs. In lakh)	5544.10	3306.13	2314.60
	Profit before Tax (Rs. In lakh)	450.70	123.45	54.296
	Profit after Tax (Rs. In lakh)	342.43	81.19	34.45
Foreign investments or collaborations, if any	The Company has not entered into any material foreign collaboration and no direct capital investment has been made in the Company.			
<b>II. Information about the appointee</b>				
Background details	Mr. Dilipkumar G. Changela is the Managing Director of the Company			
Past remuneration	Year 2015-16 Rs. 125,000/- per month Year 2016-17 Rs. 125,000/-per month Year 2017-18 Rs. 2,08,333/-per month			

Job profile and his suitability	Mr. Dilipkumar plays a major role in providing thought leadership and strategic inputs to the Company in addition to helping shape new business.
Remuneration proposed	In case of inadequacy of Profits, minimum remuneration as stated hereinabove. The Company intends to pay double the amount prescribed under Section II of Part II of Schedule V of the Companies Act, 2013 and hence it is proposed to pass the special resolution in this regard.
Comparative remuneration profile with respect to industry, size of the company, profile of the position and person in case of expatriates the relevant details would be with respect to the country of his origin)	The remuneration payable to the Mr. Dilipkumar Changela has been benchmarked with the remuneration being drawn by similar positions in same industry and has been considered by the Board of Director of the Company.
Pecuniary relationship directly or indirectly with the Company, or relationship with the managerial personnel, if any	Mr. Dilipkumar Changela has no pecuniary relationship directly and indirectly with the Company except to the extent of his remuneration and shareholdings in the Company.
<b>III. Other information</b>	
<p>The payment of remuneration to Mr. Dilipkumar G. Changela as stated above is subject to the approval of the Members.</p> <p>Except Mr. Dilipkumar G. Changela and his relatives, none of the Director's and key managerial Personnel of the Company and their relatives is concerned or interested, financially or otherwise in the resolution set out Item no. 5.</p> <p>The Board recommends the resolution for your approval.</p>	
<b>IV. Disclosures:</b>	
<b>The Shareholders of the Company shall be informed of the remuneration package of the managerial person:</b> Details furnished in the resolution.	
<b>Other Disclosures:</b> Not Applicable.	

The terms and conditions set out for payment of remuneration specified herein may be altered and varied from time to time by the Board of Directors. The Board is also entitled to revise the salary, perquisites and allowances payable to the said Managing Director of the Company at any time, such that the overall yearly remuneration payable to the said Managing Director shall not exceed the limits specified under section 197 read with Schedule V of the Companies Act, 2013 (including any statutory modification(s) or re-enactment thereof for the time being in force) or any amendment made thereto. None of the directors, managers, key managerial personnel of the Company and their respective relatives are in any way interested in the resolution except Mr. Dilipkumar G. Changela.

#### **ITEM NO. 6**

The Board of Directors of the Company ("the Board") at their meeting held on August 27, 2019, subject to the approval of the Members to be obtained at this Annual General Meeting. Mr. Hiralal G. Changela is having extensive experience in area of general management and operational aspects of the Company. With the significant growth of operational activities of the Company, it has become necessary for the Company to avail the expertise of Mr. Hiralal G. Changela on regular basis. The

Board has recommended to increase remuneration from Rs. 25,00,000/- to Rs. 27,00,000/- Per annum as approved by the Board, subject to the approval of the Members to be obtained at this Meeting are as follow:

Consolidated Salary, Perquisites and Performance Bonus, etc – Rs. 27,00,000/- (Rupees Twenty-Seven Lac only).

In addition to the above, he shall be entitled to receive the following:

- a) Encashment of leave at the end of tenure.
- b) Provision of car for use on Company's business.
- c) Free landline telephone facility at residence along with free mobile telephone facility.
- d) He shall also be entitled to reimbursement of entertainment expenses actually and properly incurred in the course of business of the Company.

The aforesaid perquisites other than benefits of Leave encashment shall be restricted to the annual salary of Mr. Hiralal G. Changela.

**Information required under Section II of Part II of Schedule V of the Companies Act, 2013:**

<b>I. General Information</b>				
Nature of industry	Bearings, rollers manufacturer			
Date or expected date of commencement of commercial production	Company was incorporated on 24 <sup>th</sup> July 1991			
In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus	Not Applicable			
Financial performance based on given indicators	<b>Particulars</b>	<b>2017-2018</b>	<b>2016-2017</b>	<b>2015-2016</b>
	Revenue (In Rs.)	5544.10	3306.13	2314.60
	Profit before Tax (In Rs.)	450.70	123.45	54.296
	Profit after Tax (In Rs.)	342.43	81.19	34.45
Foreign investments or collaborations, if any	The Company has not entered into any material foreign collaboration and no direct capital investment has been made in the Company.			
<b>II. Information about the appointee</b>				
Background details	Mr. Hiralal G. Changela is the whole-time director of the Company			
Past remuneration	Year 2015-16 Rs. 125,000/- per month Year 2016-17 Rs. 125,000/- per month Year 2017-18 Rs. 2,08,333/- per month			
Job profile and his suitability	Mr. Hiralal is providing his learned guidance and mentoring the senior management of our Company to execute and implement future growth strategy.			
Remuneration proposed	In case of inadequacy of Profits, minimum remuneration as stated hereinabove.			

	The Company intends to pay double the amount prescribed under Section II of Part II of Schedule V of the Companies Act, 2013 and hence it is proposed to pass the special resolution in this regard.
Comparative remuneration profile with respect to industry, size of the company, profile of the position and person in case of expatriates the relevant details would be with respect to the country of his origin)	The remuneration payable to the Mr. Hiralal Changela has been benchmarked with the remuneration being drawn by similar positions in same industry and has been considered by the Board of Director of the Company.
Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any	Mr. Hiralal Changela has no pecuniary relationship directly and indirectly with the Company except to the extent of his remuneration and shareholdings in the Company.
<b>III. Other information</b>	
<p>The payment of remuneration to Mr. Hiralal G. Changela as stated above is subject to the approval of the Members.</p> <p>Except Mr. Hiralal G. Changela and his relatives, none of the Director's and key managerial Personnel of the Company and their relatives is concerned or interested, financially or otherwise in the resolution set out Item no. 6.</p> <p>The Board recommends the resolution for your approval.</p>	
<b>IV. Disclosures:</b>	
<b>The Shareholders of the Company shall be informed of the remuneration package of the managerial person:</b> Details furnished in the resolution.	
<b>Other Disclosures:</b> Not Applicable.	

The terms and conditions set out for payment of remuneration specified herein may be altered and varied from time to time by the Board of Directors. The Board is also entitled to revise the salary, perquisites and allowances payable to the said Whole time Director of the Company at any time, such that the overall yearly remuneration payable to the said Whole time Director shall not exceed the limits specified under section 197 read with Schedule V of the Companies Act, 2013 (including any statutory modification(s) or re-enactment thereof for the time being in force) or any amendment made thereto.

#### **ITEM NO. 7**

The Board of Directors of the Company ("the Board") at their meeting held on August 27, 2019 subject to the approval of the Members to be obtained at this Annual General Meeting. Mr. Vrajlal G. Changela is having extensive experience in area of general management and operational aspects of the Company. With the significant growth of operational activities of the Company, it has become necessary for the Company to avail the expertise of Mr. Vrajlal G. Changela on regular basis. The Board has recommended to increase remuneration from Rs. 25,00,000/- to Rs. 27,00,000/- Per annum as approved by the Board, subject to the approval of the Members to be obtained at this Meeting are as follow:

Consolidated Salary, Perquisites and Performance Bonus, etc – Rs. 27,00,000/- (Rupees Twenty-Seven Lac only).

In addition to the above, he shall be entitled to receive the following:

- a) Encashment of leave at the end of tenure.
- b) Provision of car for use on Company's business.
- c) Free landline telephone facility at residence along with free mobile telephone facility.
- d) He shall also be entitled to reimbursement of entertainment expenses actually and properly incurred in the course of business of the Company.

The aforesaid perquisites other than benefits of Leave encashment shall be restricted to the annual salary of Mr. Vrajlal G. Changela.

**Information required under Section II of Part II of Schedule V of the Companies Act, 2013:**

<b>I. General Information</b>				
Nature of industry	Bearings, rollers manufacturer			
Date or expected date of commencement of commercial production	Company was incorporated on 24 <sup>th</sup> July 1991			
In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus	Not Applicable			
Financial performance based on given indicators	<b>Particulars</b>	<b>2017-2018</b>	<b>2016-2017</b>	<b>2015-2016</b>
	Revenue (In Rs.)	5544.10	3306.13	2314.60
	Profit before Tax (In Rs.)	450.70	123.45	54.296
	Profit after Tax (In Rs.)	342.43	81.19	34.45
Foreign investments or collaborations, if any	The Company has not entered into any material foreign collaboration and no direct capital investment has been made in the Company.			
<b>II. Information about the appointee</b>				
Background details	Mr. Vrajlal G. Changela is the whole-time director of the Company			
Past remuneration	Year 2015-16 Rs. 125,000/- per month Year 2016-17 Rs. 125,000/- per month Year 2017-18 Rs. 2,08,333/- per month			
Job profile and his suitability	Mr. Vrajlal Changela is responsible for looking after the business administration and is instrumental for growth of our Company			
Remuneration proposed	In case of inadequacy of Profits, minimum remuneration as stated hereinabove. The Company intends to pay double the amount prescribed under Section II of Part II of Schedule V of the Companies Act, 2013 and hence it is proposed to pass the special resolution in this regard.			
Comparative remuneration profile with respect to industry, size of the company, profile of the	The remuneration payable to the Mr. Vrajlal Changela has been benchmarked with the			

position and person in case of expatriates the relevant details would be with respect to the country of his origin)	remuneration being drawn by similar positions in same industry and has been considered by the Board of Director of the Company.
Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any	Mr. Vrajlal Changela has no pecuniary relationship directly and indirectly with the Company except to the extent of his remuneration and shareholdings in the Company.
<b>III. Other information</b>	
The payment of remuneration to Mr. Vrajlal G. Changela as stated above is subject to the approval of the Members.	
Except Mr. Vrajlal G. Changela and his relatives, none of the Director's and key managerial Personnel of the Company and their relatives is concerned or interested, financially or otherwise in the resolution set out Item no. 7.	
The Board recommends the resolution for your approval.	
<b>IV. Disclosures:</b>	
<b>The Shareholders of the Company shall be informed of the remuneration package of the managerial person:</b> Details furnished in the resolution.	
<b>Other Disclosures:</b> Not Applicable.	

The terms and conditions set out for the payment of remuneration specified herein may be altered and varied from time to time by the Board of Directors. The Board is also entitled to revise the salary, perquisites and allowances payable to the said Whole time Director of the Company at any time, such that the overall yearly remuneration payable to the said Whole time Director shall not exceed the limits specified under section 197 read with Schedule V of the Companies Act, 2013 (including any statutory modification(s) or re-enactment thereof for the time being in force) or any amendment made thereto.

#### **DETAILS OF THE DIRECTOR SEEKING APPOINTMENT / RE-APPOINTMENT**

<b>Name of the Director</b>	<b>Mr. Vrajlal G. Changela</b>
DIN	00247295
Nature	Re-appointment as Whole-Time Director (Retire by Rotation)
Date of Birth	16/08/1952
Qualification	Bachelor of Commerce (B.Com)
Date of Appointment	11/05/2016
Experience	Experience of More than 40 Years
Directorship held in other Public Limited Company	NA
No. of Shares Held (on 31.03.2019)	6,55,000
List of other Companies in which Directorship are held	VIRDEEP ENGINEERING PRIVATE LIMITED
Chairmanship or membership on other companies	NA

**VISHAL BEARINGS LIMITED**  
**CIN: L29130GJ1991PLC016005**  
**Regd. Office: Survey No. 22/1, Plot No.1, Shapar Main Road,**  
**Shapar (Veraval), Rajkot, Gujarat-360 024, India.**  
**Tel: 2827-252273, Fax: 2827-253087,**  
**Email: legal@vishalbearings.com, Website: www.vishalbearings.com**

**ATTENDANCE SLIP**

PLEASE BRING THIS ATTENDANCE SLIP AND HAND IT OVER AT THE registered office of the company

Name of Address of the Shareholder	Sequence No. :
	Folio No. :
	DP. ID :
	Client ID :

I hereby record my presence at the 28<sup>th</sup> Annual General meeting at the Registered office of the Company on Saturday the September 28, 2019 at 4:00 PM.

Signature of the Member or Proxy

No. of Shares held

**VISHAL BEARINGS LIMITED**  
**CIN: L29130GJ1991PLC016005**  
**Regd. Office: Survey No. 22/1, Plot No.1, Shapar Main Road,**  
**Shapar (Veraval), Rajkot, Gujarat-360 024, India.**  
**Tel: 2827-252273, Fax: 2827-253087,**  
**Email: legal@vishalbearings.com**

**Form No. MGT-11**  
**PROXY FORM**

(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 Shareholder	_____
Registered address	_____
E-mail ID	_____
Folio No. / Client ID	_____
DP ID	_____

I/We, being the shareholder(s) of ..... shares of the above named company, hereby appoint:

1 Name	_____
Address	_____
E-mail ID	_____
Signature	_____

Or falling him or her

2 Name \_\_\_\_\_  
 Address \_\_\_\_\_  
 E-mail ID \_\_\_\_\_  
 Signature \_\_\_\_\_

As my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 28<sup>th</sup> Annual General Meeting of the Company, to be held on Saturday the September 28, 2019 at 4.00 PM at the registered office of the Company and at any adjournment thereof in respect of such resolutions as are indicated below:

**Resolution No. ( ✓ )**

S.N.	Subject	Vote	
		For	Against
<b>Ordinary Business</b>			
1	Adoption of Annual Financial Statements for the FY 2018-2019		
2	Interim Dividend to be treated as a Final Dividend		
3	Re-appointment of Shri Vrajlal Changela, Director retiring by rotation.		
<b>Special Business</b>			
4	Regularization of Appointment of Mrs. Ameer Ketankumar Dadhania as a Non-Executive Independent Director		
5	Increase in remuneration to Mr. Dilipkumar Changela, Managing Director		
6	Increase in remuneration to Mr. Hiralal Changela, Whole Time Director		
7	Increase in remuneration to Mr. Vrajlal Changela, Whole Time Director		

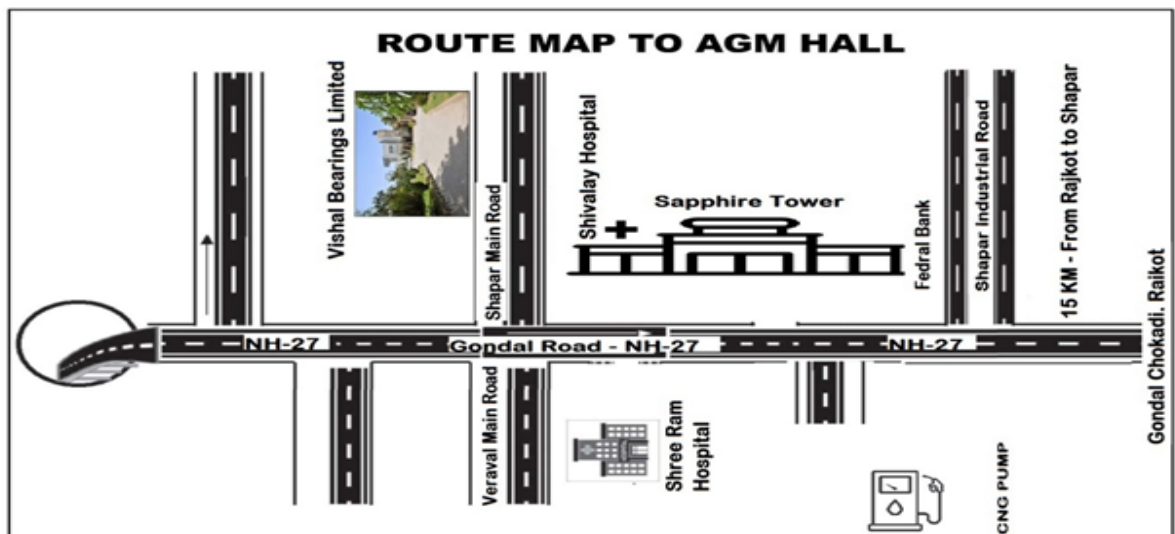
Signed this .....day of ..... 2019.

Signature of shareholder:

Signature of Proxy holder(s):

Affix  
Revenue  
Stamp

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











**Vishal Bearings Limited**  
**Survey No 22/1, Plot No 1,2,3**  
**Shapar Village Road,**  
**SHAPAR (Veraval) – 360 024.**  
**Ta. Kotadasangani,**  
**Dist. Rajkot.(Gujarat) India.**

**Contact us: +91-2827-252273, 252414**  
**Fax us: (+91)-(2827)-253087**  
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