

A Glorious Journey of.....



**VISHAL BEARINGS LIMITED**

**25<sup>th</sup>  
Annual  
Report  
2015-2016**

## CHAIRMAN'S STATEMENT

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*"Growth is never by mere chance; it is the result of forces working together."*

*- James Cash Penney*

**Dear Stakeholders,**

On behalf of the Board and management, we would like to thank you for your continued support in 2015-16.

It is a matter of great pride and satisfaction upon completing 25 years of our business operations. The distinction recognizes us amongst handful of companies in the country to have reached such a milestone. We wear the distinction with humility and look forward towards building happy communities and a sustainable future.

This year will be remembered as a pivotal one in the History of the company, as the company come out with an Initial Public Offering of 12,96,000 Equity Shares of Face Value of Rs. 10/- Each at a Cash Price of Rs. 25/- each (premium of Rs. 15/- Each) and Listed its shares at the Bombay Stock Exchange (SME Platform).

Today, we are steady and solid. We enjoyed the ride during the year, supported by our strategies in play foray into newer geographies, capacity expansion, technological advancements and stronger brand visibility. With a continuous focus on innovation and quality, we are travelling faster than ever before countering headwinds and seizing opportunities.

Thank you to partners, customers, vendors, lenders and bankers for reposing their faith in us, employees for their resolve and unstinted devotion, our Members on the Board for their wisdom and continuous support and you, our shareholders for reposing trust & faith.

Thank you for your support for over last 25 years and we hope you continue your association with us forever.

**Best Wishes,**

**Dilipkumar Changela**  
**Chairman & Managing Director**

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## CORPORATE INFORMATION

<p><b>BOARD OF DIRECTOR</b></p> <p><b>Dilipkumar Changela</b> <i>Chairman and Managing Director</i></p> <p><b>Hiralal Changela</b> <i>Whole time Director</i></p> <p><b>Vrajlal Changela</b> <i>Whole time director</i></p> <p><b>Niteshkumar Patel</b> <i>Independent director</i></p> <p><b>Rakesh Savani</b> <i>Independent director</i></p> <p><b>Urja Ghetiya</b> <i>Independent director</i></p> <p><b>Vishal Changela</b> <i>Chief financial officer</i></p> <p><b>Divyesh Changela</b> <i>Chief operating officer</i></p>	<p><b>REGISTERED OFFICE</b> Survey No. 22/1, Plot No.1, Shapar Main Road, Shapar (Veraval) Rajkot – 360 024, GUJARAT Tel: +91-2827-252273 Email: <a href="mailto:compliance@vishalbearings.com">compliance@vishalbearings.com</a> Website: <a href="http://www.vishalbearings.com">www.vishalbearings.com</a></p> <p><b>STATUTORY AUDITOR</b> M/s. SVK &amp; Associates Chartered Accountant Ahmedabad</p> <p><b>INTERNAL AUDITOR</b> Mayur Raiyani Chartered Accountant Rajkot</p> <p><b>COMPANY SECRETARY AND COMPLIANCE OFFICER</b> Ms. Dimpi Sampat</p> <table border="1"> <tr> <td data-bbox="817 1137 1155 1350"> <p><b>BANKER</b> Kotak Mahindra Bank HDFC Bank State Bank of India</p> </td><td data-bbox="1155 1137 1493 1350"> <p><b>STOCK EXCHANGE</b> BSE Limited Phiroze Jeejeebhoy Towers, Dalal Street, Fort, Mumbai – 400 001</p> </td></tr> </table>	<p><b>BANKER</b> Kotak Mahindra Bank HDFC Bank State Bank of India</p>	<p><b>STOCK EXCHANGE</b> BSE Limited Phiroze Jeejeebhoy Towers, Dalal Street, Fort, Mumbai – 400 001</p>
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<p><b>AUDIT COMMITTEE</b> Mr. Rakesh Savani – Chairman Ms. Urja Ghetiya - Member Mr. Vrajlal Changela – Member</p>	<p><b>REGISTRAR &amp; SHARE TRANSFER AGENT</b> Karvy Computershare Private Limited Corporate Office: Karvy Selenium Tower B, Plot No. 31 &amp; 32, Financial District, Nanakramguda, Gachibowli, Hyderabad – 500 032, Telengana, India, Tel: +91-40-67162222, 33211000,</p>		
<p><b>NOMINATION AND REMUNERATION COMMITTEE</b> Mr. Rakesh Savani – Chairman Ms. Urja Ghetiya - Member Mr. Niteshkumar Patel – Member</p>	<p><b>SHAREHOLDER RELATIONSHIP COMMITTEE</b> Ms. Urja Ghetiya - Chairman Mr. Rakesh Savani – Member Mr. Dilipkumar Changela- Member</p>		

## JOURNEY ACROSS THE YEARS

### 1991

- Vishal Bearings was incorporated as a company on 24th July, 1991 under the Companies Act, 1956
- To Purchase of land bearing Unit No. 1, Survey No. 22/1, KotdaSangani Taluka, Shapar Village for setting up of our factory

### 2006

Expansion of factory by setting up of new plant on Unit No. 2 & 3 Shapar, Veraval taken on lease basis by the Company

### 2010

Purchase of Land Bearing Plot No. 2 and 3 by the Company

### 2011

Ventured into wind mill by installing wind turbine generator and commissioned 0.250MW capacity.

### 2014

Recognised for Environmental Management System with ISO 14001:2004 for manufacturing of Bearing Rollers by United Registrar of System (URSII) Certification.

### 2015

- Recognized for Health and Safety Management System with OHSAS 18001:2007 by United Registrar of System (—URSII) Certification.
- Recognised for its quality Management System with ISO/TS 9001:2008 for manufacturing of Bearing Rollers by United Registrar of System (URSII) Certification.
- Recognised for its quality Management System with ISO/TS 16949:2009 for manufacturing of Bearing Rollers by United Registrar of System (URSII) Certification.
- Identified as direct online supplier by NBC Bearings Limited
- Conversion into Public Limited Company
- Vishal Bearings come out with an Initial Public Offering and Listed in BSE (SME Platform)

**A little step may be the beginning of a great journey.....**

PRODUCT OVERVIEW



## FIVE YEAR HIGHLIGHTS

		(₹ in lacs)				
		2015-16	2014-15	2013-14	2012-13	2011-12
<b>I</b>	<b>CAPITAL ACCOUNTS</b>					
A	Share capital	<b>479.60</b>	25.00	25.00	25.00	25.00
B	Reserves	<b>333.19</b>	429.33	254.70	220.58	125.56
C	Money received against convertible Warrants	<b>0</b>	0	0	0	0
D	Shareholders' Funds (A+B+C)	<b>812.78</b>	454.33	279.7	245.58	150.56
E	Borrowings	<b>1550.98</b>	1486.60	1187.75	1083.70	1005.48
F	Deferred Tax Liability (Net)	<b>70.50</b>	62.39	51.18	52.88	47.75
G	Capital Employed (D+E+F)	<b>2434.26</b>	2000.67	1518.63	1382.16	1203.79
<b>II</b>	<b>REVENUE ACCOUNTS</b>					
A	Gross revenue	<b>2314.60</b>	2720.00	2109.46	1861.01	1608.29
B	Profit/Loss before Tax	<b>54.30</b>	249.42	213.65	146.70	15.64
	% of gross revenue	<b>2.34</b>	9.17	10.98	7.88	0.97
C	exceptional item	<b>0</b>	0	0	0	0
D	Profit/Loss after Tax	<b>34.45</b>	174.01	151.12	94.57	105.84
	% of gross revenue	<b>1.48</b>	6.40	7.16	5.08	6.58
<b>III</b>	<b>EQUITY SHAREHOLDERS' EARNINGS</b>					
A	Earnings per share	<b>0.72</b>	696.04	604.48	378.29	423.37
** Face Value of Equity Share - ₹ 10/-						

**NOTICE IS HEREBY GIVEN THAT THE 25<sup>TH</sup> ANNUAL GENERAL MEETING OF THE MEMBERS OF VISHAL BEARINGS LIMITED WILL BE HELD ON WEDNESDAY, AUGUST 24, 2016 AT 4:00 P.M. AT REGISTERED OFFICE OF THE COMPANY**

**ORDINARY BUSINESS:**

1. To receive, consider and adopt the financial Statements of the Company for the year ended 31<sup>st</sup> March, 2016 including audited Balance Sheet and Statement of Profit & Loss alongwith Cash Flow Statement and Notes to the Accounts for the year ended on that date together with the Reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Hiralal Changela (DIN 00247292), who retires by rotation and being eligible, offers himself for re-appointment.
3. TO APPOINT STATUTORY AUDITOR OF THE COMPANY

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

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

**SPECIAL BUSINESS:**

4. APPOINTMENT OF STATUTORY AUDITOR TO FILL CASUAL VACANCY

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

**"RESOLVED THAT** pursuant to the provisions of section 139(8) and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 and other applicable provisions if any, M/s. SVK & Associates, Chartered Accountants, (Firm Registration No. : 118564W) be and hereby are appointed as Statutory Auditors of the Company to fill the Casual Vacancy caused by the resignation of M/s. P. Ghanshyam & Co., Chartered Accountants, (Firm Registration No. : 103153W).



**"RESOLVED FURTHER THAT** M/s. SVK & Associates, Chartered Accountants, (Firm Registration No.:118564W) be and are hereby appointed as Statutory Auditors of the Company to hold office from 26<sup>th</sup> May, 2016 until the conclusion of the 25<sup>th</sup> Annual General Meeting at such remuneration plus applicable taxes, and out of pocket expenses, as may be determined and recommended by the Audit Committee in consultation with the Auditors and duly approved by the Board of Directors of the Company."

By Order of the Board of Directors  
For **VISHAL BEARINGS LIMITED**

Date: August 01, 2016  
Place: Shapar (Veraval)

Sd/-  
**DILIPKUMAR CHANGELA**  
Managing Director  
DIN: 00247302

**NOTES:**

1. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE, INSTEAD OF HIMSELF/HERSELF AND THE PROXY NEED NOT BE A MEMBER.

A PERSON CAN ACT AS PROXY ON BEHALF OF MEMBERS UPTO AND NOT EXCEEDING FIFTY AND HOLDING IN THE AGGREGATE NOT MORE THAN TEN PERCENT OF THE TOTAL SHARE CAPITAL OF THE COMPANY. FURTHER, A MEMBER HOLDING 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 PERSON OR MEMBER.

2. THE INSTRUMENT APPOINTING PROXY MUST BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE TIME OF HOLDING THE MEETING.
3. Information regarding appointment / re-appointment of directors and Explanatory Statement pursuant to section 102 of the Companies Act, 2013 in respect of special businesses to be transacted at the Annual General Meeting are annexed hereto.
4. Pursuant to the provisions of section 139 of the Companies Act, 2013 and the Rules made thereunder, and in terms of the approval given by the Board at the Board Meetings of the Company held on May 26, 2016, the auditors of the Company, M/s. SVK & Associates, Chartered Accountants are eligible to hold the office upto this Annual General Meeting, subject to the approval of members. The appointment of M/s. SVK & Associates, Chartered Accountants as auditors from the conclusion of this annual general meeting till the conclusion of the next annual general meeting along with their remuneration has been put up for the approval of members.
5. The Register of Members and Share Transfer Books of the Company will remain closed from Tuesday, August 18, 2016 to Wednesday, August 24, 2016, both days inclusive.
6. To avoid fraudulent transactions, the identity/signature of the members holding shares in electronic/demat form is verified with the specimen signatures furnished by NSDL/CDSL and that of members holding shares in physical form is verified as per the records of the share transfer agent of the Company. Members are requested to keep the same updated.
7. In terms of Companies Act, 2013 read together with the Rules made thereunder, the listed companies may send the notice of annual general meeting and the annual report, including Financial statements, Board Report, etc. by electronic mode. The Company is accordingly forwarding soft copies of the above referred documents to all those members through e-mail, who have registered their email ids with their respective depository participants or with the share transfer agent of the Company.