



**27th ANNUAL REPORT
2017-2018**

CHAIRMAN MESSAGE

Dear shareholders,

It is truly a proud moment for us to meet after a year of fantastic achievements. The reflect the strength and vitality of our company's products and brands.

It is a great honour and privilege for me to preside over the 27th Annual General Meeting of your Company and on behalf of the Board of Directors, I welcome you all to this special occasion. I thank you all for making it convenient to attend the meeting and for your continued support and goodwill, which is essential for the success of your Company.

At VBL, 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.

Our company's performance in the last fiscal illustrates the opportunities and challenges facing our industry. The phenomenal impact that climate issues are having on businesses around the world is creating exciting and viable new opportunities.

During the year 2017-18, your Company continued to implement mission driven strategies by efficiently implementing the projects and continuing to invest in technology, infrastructure and talent, which are the critical inputs for the future of your Company.

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 an Interim dividend of Re. 0.50 per equity share paid in December 20, 2017 for the financial year 2017-18.

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

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

Thank you for your support for over last 27 years and we hope you continue your association with us forever.

Best Wishes,

Hiralal Changela
Chairman

FINANCIAL HIGHLIGHT

Financial Year	2018	2017	2016	2015	2014	2013	2012
SOURCES OF FUNDS							
Share capital	599.50	599.50	479.60	25.00	25.00	25.00	25.00
Reserves	600.84	294.48	333.18	429.33	254.70	220.58	125.55
Shareholders' funds	1200.34	893.98	812.78	454.33	279.70	245.58	150.55
Borrowings	1900.18	1664.13	1550.98	1483.95	1187.75	1083.70	1005.48
Deferred tax liabilities (net)	57.96	63.72	70.50	62.38	51.18	52.88	47.75
INCOME AND PROFITS							
Gross Sales	5544.10	3306.13	2314.60	2720.00	2109.45	1861.01	1607.88
Profit before Tax	450.70	123.45	54.296	249.41	213.64	146.69	156.38
Profit after tax	342.43	81.19	34.45	174.00	151.11	94.57	105.84
Earnings per shares	5.71	1.36	0.65	696.04	604.48	378.29	423.37

STEPS INTO THE FUTURE

If success is a journey, the steps that one takes in the right direction are perhaps more important than mere distance covered.

It is good to remember 2017 for some path-breaking steps that our country undertook during the year. ISRO's success in launch of multiple satellites, progress towards GST implementation and demonstration of India's commitment towards climate change by signing of Paris treaty, are some steps that will undoubtedly have strong impact on the future of our nation.

Here at Vishal, your Company not only aligned its approach with the Group's strategy, it also took some concrete steps to strengthen its long-term competitiveness. We strengthened our presence in focus sectors, and consistently pursued localisation goal to expand our manufacturing and engineering footprint. By aligning and involving our people in the organisational renewal process, together we took some solid steps into the future....

In summary, a blueprint and a roadmap of where the Company is heading in its journey to create a profitable enterprise with sustainable value has been laid out.

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.



"We have 2018 to fine-tune our strategic concept with 4 focus areas. In doing so, we have been guided by the following fundamental principle: we will only be successful in the long run if we combine long-term thinking and the success factors that have proven themselves over the years – Quality, Technology and Innovation – with a systematic orientation towards the future."

- **Vishal Changela**
Chief Financial Officer

BASIC KNOWLEDGE OF BEARINGS

Here, we provide basic information on bearings.

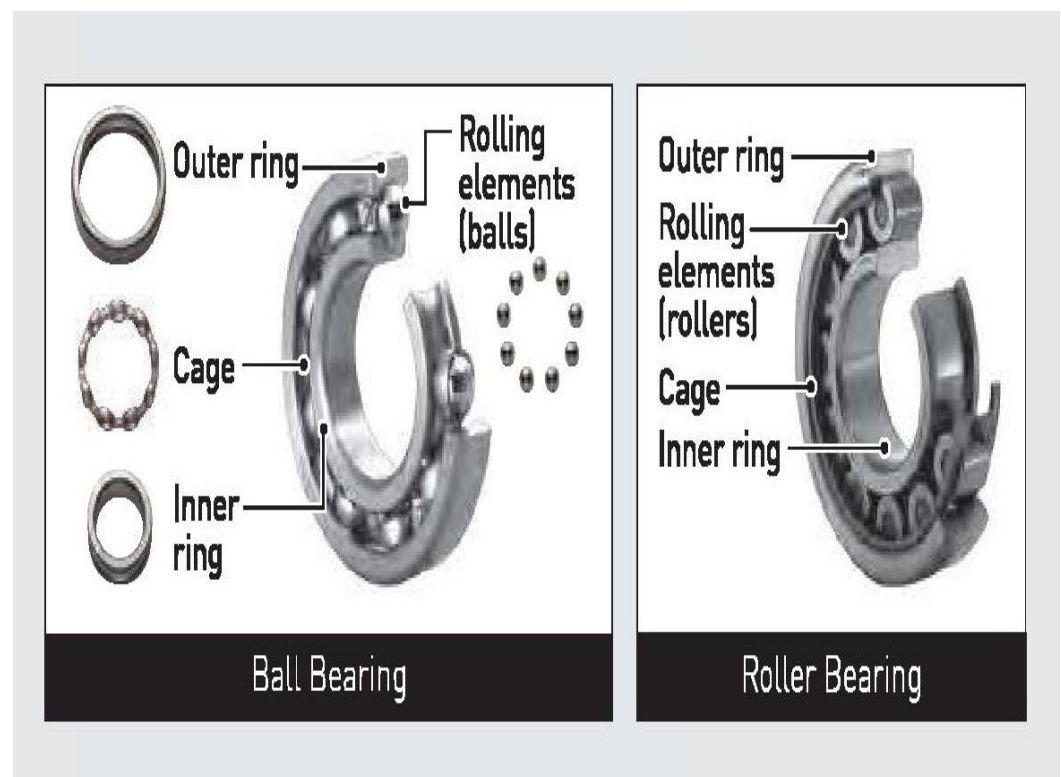
STRUCTURE AND FUNCTION

A surprisingly large number of bearings can be found all around us. Take automobiles, for example: There are 100 to 150 bearings in a typical car. Without bearings, the wheels would rattle, the transmission gear teeth would not be able to mesh, and the car would not run smoothly. Bearings are used not only in cars but in all kinds of machinery such as trains, airplanes, washing machines, refrigerators, air conditioners, vacuum cleaners, photocopy machines, computers and satellites. Bearings enhance the functionality of machinery and help to save energy. Bearings do their work silently, in tough environments, hidden in machinery where we cannot see them. Nevertheless, bearings are crucial for the stable operation of machinery and for ensuring top performance.

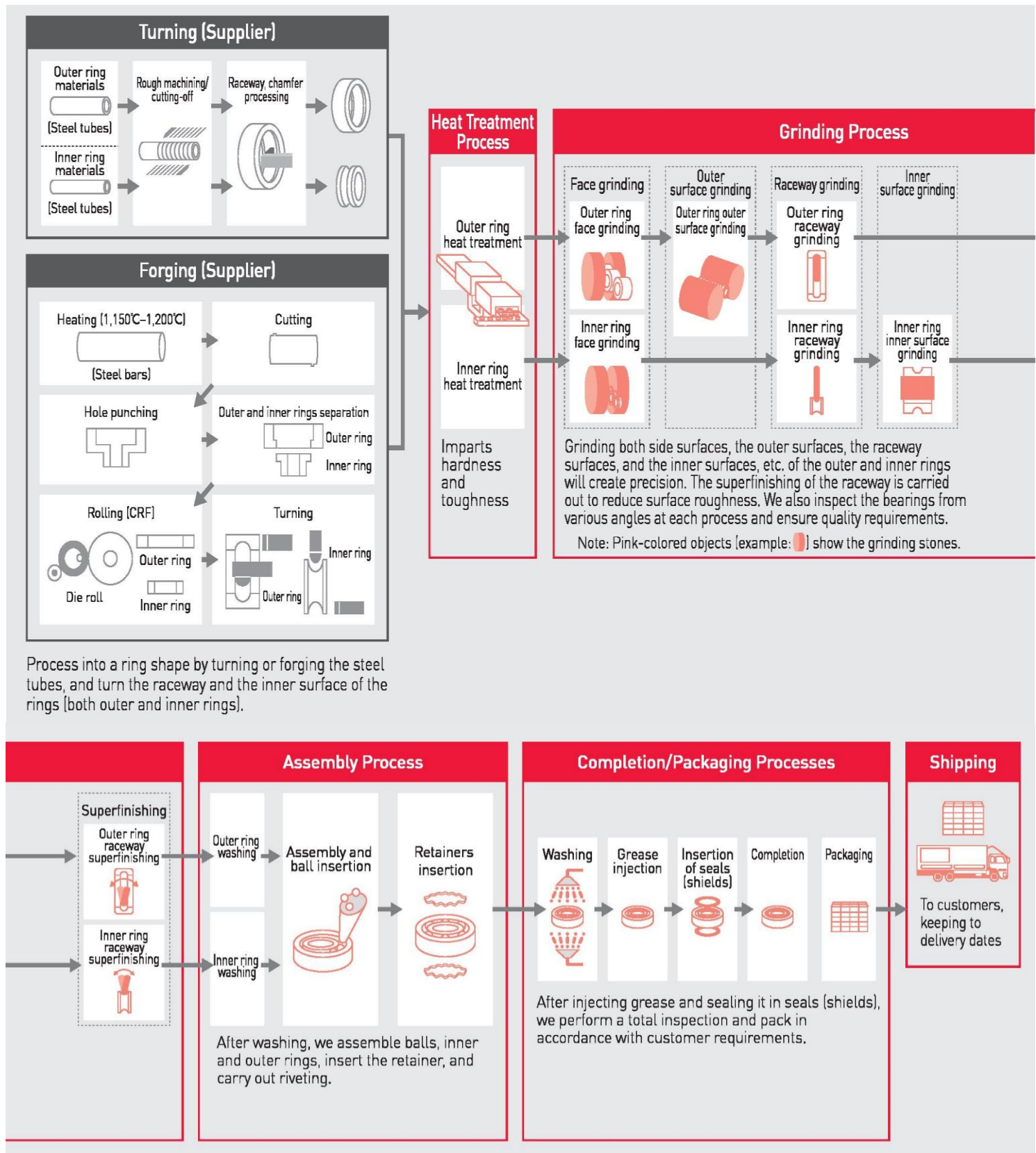
The term **bearings** incorporate the meaning of “to bear”, in the sense of “to support” and “to carry a burden.” This refers to the fact that bearings support and carry the burden of revolving axles.

STRUCTURE

The ball bearings and roller bearings pictured to the right represent two typical types of the most basic bearings, known as rolling bearings. Rolling bearings are made up of four elements: an outer ring, an inner ring as well as rolling and cage elements and have an extremely simple basic structure.



Main Manufacturing Processes for Bearings



Function

The basic function of bearings is principally to reduce mechanical friction. Reducing friction means:

1. **Machinery will run more efficiently**
2. **There will be less frictional wear, extending the operating life of the machinery**
3. **Preventing abrasion burn and avoiding mechanical breakdown**

Bearings also contribute to lower energy consumption by reducing friction and allowing the efficient transmission of power. This is just one way in which bearings are environmentally friendly.

Types of Bearings

A brief overview of typical bearings is presented as follows.

1 Deep groove ball bearing	2 Angular contact thrust ball bearing	3 Thrust ball bearing	4 Cylindrical roller bearing
 <p>This is the most widely used bearing in the world.</p>	 <p>In this type, the rolling element meets the inner and outer ring raceways at a contact angle. This bearing can carry radial and axial loads.</p>	 <p>Thrust ball bearings are capable of handling loads in the axial direction (axial loads). They can support heavy loads.</p>	 <p>The rolling elements are the cylindrical roller type.</p>
5 Tapered roller bearing	6 Self-aligning roller bearing	7 Thrust needle bearing	8 Cage and roller
 <p>The rolling elements are of the tapered roller type. Because the rollers are tapered, this bearing is able to carry combined axial and radial loads.</p>	 <p>This bearing has an automatic aligning function to compensate for minute misalignments between the inner and outer rings during operation.</p>	 <p>This bearing is used in parts such as compressors that deliver the air in automobile air-conditioning units.</p>	 <p>This is one of several kinds of bearings used in vehicles' manual transmissions. It is required to be highly durable.</p>

EXCELLENCE IN SALES & SERVICES

Customers want more than good products. They demand best-in-class quality, just-in time availability, efficient logistics, affordable price, and excellent pre and after sales service. In summary, maximum value and superior experience. At Vishal, we believe that sales excellence must be embedded in our processes and reflected through passionate way our teams respond to customers' requests and expectations. This year, we took several initiatives to improve the customer experience.

Core Program

We expanded our core program initiative to ensure that products which are in regular demand are available off-the-shelf.

In aftermarket, we continued promoting us Business activities. The idea obviously is to get involved in and contribute to the success of our customers' operational processes.

Reach

Through systematic expansion of our distribution network, we extended our market reach. We are focussing on extending our reach in domestic and international markets.

Competence

We regularly invest in upgradation of sales and technical skills of our sales teams and channel partners. This ensures that we not only understand market requirements well but are also able to effectively respond to the same.

The 2nd IPF Industrial Excellence Awards goes to vishal bearings limited in the category of "**Fastest Growing Manufacturing Company 2017**" under the Engineering segment.

As you are aware, **Industrial Products Finder (IPF)** is India's largest circulated industrial magazine published by ASAPP Info Global Group. In IPF's 45th year, we are happy to announce the 2nd IPF Industrial Excellence Awards thereby fulfilling the mission to raise the standards of excellence in the industry.

PASSION FOR PERFORMANCE

When strategy, structure, capabilities and culture are tightly linked, an organisation is geared for a successful and sustainable future. That is one reason why we put People at the centre-stage of all our strategic initiatives. After all, people and their passion drive successful performance of a strategy.

Alignment

Higher level of employee engagement leads to higher level of trust and that in turn leads to closer alignment of strategy, organisation and people. Forum such as town hall meetings have helped immensely in bringing employee alignment with organisational objectives and vice versa at Vishal.

Good Start

A growing company like Vishal requires a talent pipeline. We recruit fresh as well as experienced members to support organisations growing need for talent. Our New Hire Integration program which ensures that new employees get a comprehensive understanding of the organisation, far beyond understanding of their ultimate area, has been very effective in providing a good start to new employees.

Family Connect

Family connect initiatives have been an important part of our organisations culture as we try to provide a bridge between professional and social needs of employees.

Talent

Our talent management process is deeply rooted in our belief that people development must precede organisational development. We have robust processes to capture and shape developmental needs of our employees. Our structured initiatives like Young Leader Program and Accelerated Leadership Program, have been supporting our employees in realisation of their true potential.

WORKING IN HIGH PERFORMANCE TEAMS

Continuous improvement in an organisation requires strong teamwork. A good teamwork brings the best of every member, binds team to the culture of excellence and continuous improvement, and helps overcome failure while systematically discovering better ways to do things. At Vishal, initiatives like Quality Circle and MOVE provide platforms to our employees for collaborative teamwork. Team members identify opportunities for improvement, evaluate current practices and processes, plan and implement improvements in their areas and horizontally. All, they manage the change process to ensure that the gains of improvement are sustainable, and when teamwork is appreciated, it brings smiles on the faces of team members.

COMPANY INFORMATION

BOARD OF DIRECTOR

Hiralal Changela

Chairman

Dilipkumar Changela

Managing Director

Vrajlal Changela

Whole time director

Niteshkumar Patel

Independent director

Rakesh Savani

Independent director

Urja Ghetiya

Independent director

Vishal Changela

Chief financial officer

Divyesh Changela

Chief operating officer

STATUTORY AUDITOR

M/s. SVK & Associates
Chartered Accountant, Rajkot

Company Secretary & Compliance Officer

Ms. Dimpi Sampat

REGISTRAR & SHARE TRANSFER AGENT

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Karvy Selenium Tower B, Plot No. 31 & 32,
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INDEX

1	Notice of AGM	01
2	Directors' Report	14
3	Management Discussion and Analysis	21
4	Corporate Governance Report	26
5	CEO/CFO Certificate	41
6	Dividend Distribution Policy	42
7	Conservation of Energy & Technology Absorption	44
8	Related Party Transactions Report	45
9	Report on remuneration of Directors	46
10	Extract of Annual Return MGT-9	48
11	Secretarial Audit Report	56
12	Independent Auditors' Report	60
13	Balance Sheet	68
14	Statement of Profit & Loss	70
15	Cash Flow Statement	72
16	Notes to the Financial Statements	74
17	Proxy Form	91
18	Attendance Slip & Map	92
19	Notes	93