

VISHAL BEARINGS LIMITED

**ANNUAL
REPORT**

2022-2023

Corporate Information

Board of Directors

Mr. Hiralal G. Changela
(DIN: 00247292)
Chairman

Mr. Dilipkumar Changela
(DIN: 00247302)
Managing Director

Mr. Vrajlal G. Changela
(DIN: 00247295)
Director

Mr. Amit P. Nindroda
(DIN: 03489435)
Director

Mrs. Ameer K. Dadhania
(DIN: 08546107)
Director

Mr. Kishan R. Sureja
(DIN: 08994262)
Director

Mr. Vishal Changela
Chief Financial Officer

Mr. Divyesh Changela
Chief Executive Officer

Company Secretary

Mr. Ketan V. Savaliya

Bankers

State Bank of India
Kotak Mahindra Bank
HDFC Bank Limited

Statutory Auditors

M/S. SVK & Associates
Rajkot, Gujarat

Secretarial Auditor

M/s. Namrata Seta & Associates
Rajkot, Gujarat

Cost Auditor

M/s. M.C. Bambhroliya & Associates
Rajkot, Gujarat

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

Units

Vishal Bearings Limited

Shapar Village Road, Shapar, Rajkot, Gujarat
SIDC Main Road, Veraval, Rajkot, Gujarat

Registrar & Share Transfer Agent

KFin Technologies Limited

Selenium Tower B, Plot 31 & 32, Financial District, Nanakramguda, Seritingampally, Hyderabad, Rangareddi, Telangana 500032, India.

Investor Relation Centres

KFin Technologies Limited
Selenium Tower B, Plot 31 & 32, Financial District, Nanakramguda, Seritingampally, Hyderabad, Rangareddi, Telangana 500032, India.

Contact No.: +91 90522 67292
Email Id: praveena.vastala@kfintech.com

32nd Annual General Meeting

**32nd
ANNUAL GENERAL MEETING
held On
Saturday,
September 30, 2023
at 04:00 PM
at the Registered office of the
Company**

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

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Disclaimer

This document contains statements about expected future events and the financials of Vishal Bearings Limited, which are forward-looking. By their nature, forward-looking statements require the Company to make assumptions and are subject to inherent risks and uncertainties. There is a significant risk that the assumptions, predictions, and other forward-looking statements may not prove to be accurate. Readers are cautioned not to place undue reliance on forward-looking statements as several factors could cause assumptions, actual future results, and events to differ materially from those expressed in the forward-looking statements. Accordingly, this document is subject to the disclaimer and qualified in its entirety by the assumptions, qualifications and risk factors referred to in the Management Discussion and Analysis section of this Annual Report.

CHAIRMAN MESSAGE

Dear shareholders,

It is our utmost pleasure to present to you the 32nd Annual Report of the Company.

On behalf of the Board, I'm delighted to report another year for Vishal Bearings Limited as we continue focused efforts towards pursuing our long-term objectives. The past couple of years have been a period of intense action and reflection. We have seen a global pandemic, geopolitical tensions, supply chain disruptions and many other public and private upheavals. Despite a challenging business landscape, your Company remained steadfast in executing its strategies, sustaining operational efficiencies, maintaining customer centricity, and ensuring cost discipline leading to a strong financial performance and increased shareholder value.

As we transform our business, at pace and amid intense external pressures, I am deeply proud of the resilience, energy and unity of our people and I take this opportunity to thank our employees, customers, and shareholders, you are vital to our company's continued success. Today, we reap the benefits of our shared values and commitment to doing what's right. As we look to the next generation of people, ideas and opportunities to take us into the future, we are ready because we know our strengths are both timely and timeless.

We remain steadfast in our commitment to enhancing revenue and profitability by employing various strategies. These includes increasing our market share, implementing effective cost control measures, driving operational excellence, strengthening our workforce, and continually developing new products.

Theses strategic developments position us for future success, enabling us to increase our volume and generate higher revenues in the years to come.

We possess the necessary capabilities to manufacture a wide range of products that complement our current product segments. By expanding into these segments, we aim to capture new market opportunities and further enhance our revenue share.

We are confident in our ability to cater to the rising demands of the automotive sector and embrace new opportunities that contribute to our future growth.

We are Pleased to announce that your company has achieved good performance in terms of both revenue and profitability.

The total revenues for the financial year under review was ₹11551.43 as against ₹10817.44 Lacs for the previous financial year.

The Profit was ₹801.49 for the financial year under review, as against ₹676.41 for the previous financial year.

We would like to express my sincere thanks to all the members of our Board of Directors. Your invaluable leadership, vast experiences, and insightful guidance have played crucial role in shaping our strategic decisions and driving our organization forward.

I would like to thank all our employees for their efforts and tremendous contribution during the year. As always, we remain focused on operating responsibly and ethically and creating sustainable long-term value for all our stakeholders.

Thank You

Hiralal Changela
Chairman

FINANCIAL HIGHLIGHT

Particulars	31 st March 2023	31 st March 2022	31 st March 2021	31 st March 2020	31 st March 2019
Total Revenue	11,555.83	10,917.86	5,805.47	5,268.25	8,102.16
Profit before tax	1,088.22	941.39	61.85	(3.571)	893.16
Profit after tax	801.49	676.41	39.38	1.05	639.81
Earnings per share	7.30	6.70	0.72	0.01	5.93
Net Block	2,823.33	2147.00	2098.00	2227.48	2177.88
Total Borrowings	3,023.95	3979.90	1449.57	1734.67	1898.21
Share Capital	1,079.10	1079.10	1079.10	1079.10	1079.10
Reserves and surplus	2,256.29	1468.21	798.75	725.96	724.91
Shareholders (nos.)	4617	1071	172	171	173
Employees (nos.) Permanent + Contract	47 + 450	50 + 480	172	173	170

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.

Here at Vishal, your Company not only aligned its approach with the Group's strategy, but it also took some concrete steps to strengthen its long-term competitiveness. We strengthened our presence in focus sectors, and consistently pursued localization goals to expand our manufacturing and engineering footprint. By aligning and involving our people in the organizational 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.

RATIO

Sales Growth ⓘ



Profit Growth ⓘ



ROE% ⓘ



ROCE % ⓘ





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 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 of 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 the 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 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 seeking new alliances, finding new opportunities, innovate new products, utilize 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 to put any limits, whatsoever.

BASIC KNOWLEDGE OF BEARINGS

Here, we provide basic information on bearings.

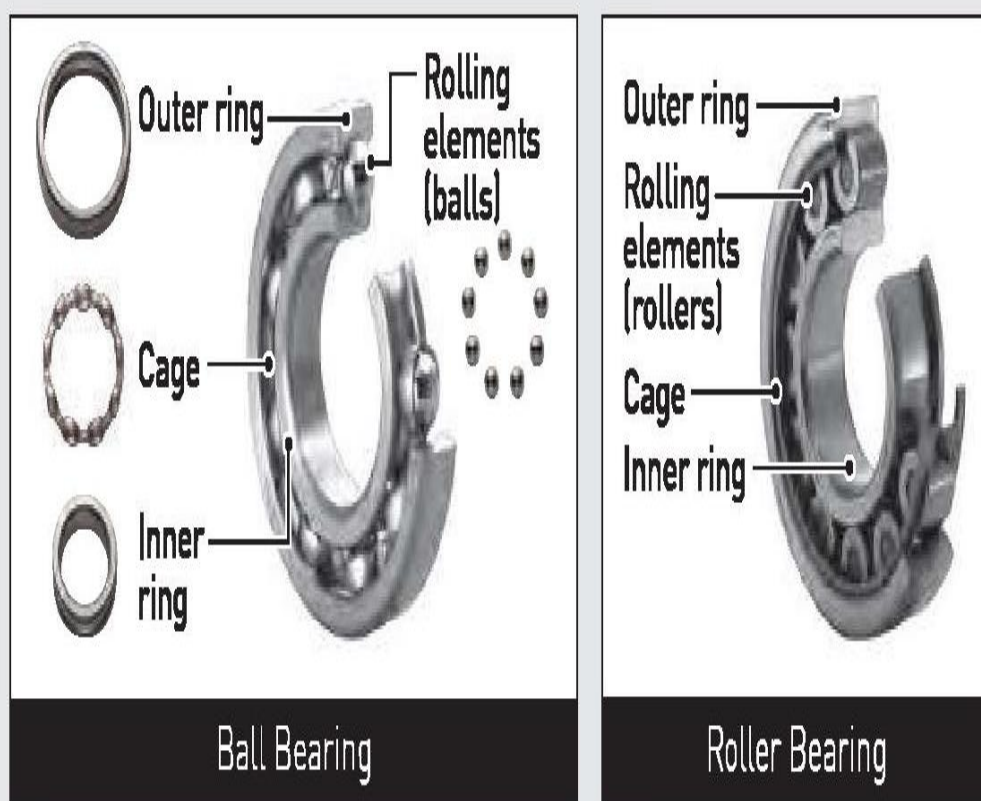
STRUCTURE AND FUNCTION

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.



SEGMENT WISE PERFORMANCE

During the current year, ball and roller bearings have been the primary business segment for the Company.

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 Ball Bearings and Roller Bearings

A brief overview of typical bearings is presented as follows.

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

WORKING IN HIGH PERFORMANCE TEAMS

Continuous improvement in an organization requires strong teamwork. Good teamwork brings the best in every member, binds the 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 for 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 of them 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.