ISO 9001, ISO/TS 16949, ISO 14001, OHSAS 18001 CERTIFIED ORGANISATION
Survey No. 22/1, Plot No 1,2,3 Shapar Village Road, SHAPAR (Veraval) 360 024.
Ta. Kotadasangani, Dist. Rajkot.(Gujarat) India. Tel : +91-2827-252273, 252414
CIN : U29130GJ1991PLC016005
info@vishalbearings.com I www.vishalbearings.com

VISHAL
BEARINGS LIMITED
Mfg. : Bearing Rollers

November 25, 2020

To,
DEPARTMENT OF CORPORATE SERVICES
Bombay Stock Exchange (SME Platform)
25th Floor, P.J. Towers,
Dalal Street, Fort,
Mumbai - 400 001.

Dear Sir/Madam,

SUB: ANNUAL REPORT 2019-20
REF.: SCRIP CODE: 539398 SCRIP ID: VISHALBL

In terms of Regulation 34 (1) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we are enclosing herewith the Annual Report along with Notice of 29th Annual General Meeting of the Company for the Financial Year 2019-20, which is being sent to the shareholders.

The 29th Annual General Meeting of the company will be held on Saturday, December 26, 2020 at 04.00 PM through Video Conferencing (VC) / Other Audio-Visual Means (OAVM).

Kindly take note of the same.

Thanking You.

Yours Faithfully,
For VISHAL BEARINGS LIMITED

VISHAL BEARINGS LIMITED SHAPAR

DILIPKUMAR CHANGELA
MANAGING DIRECTOR
DIN: 00247302

Date: 25.11.2020
Place: Shapar, Rajkot

VISHAL BEARINGS LIMITED

29TH ANNUAL REPORT
2019-2020

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
Ms. Amee Dadhania - Independent Director
(Appointed as on August 27, 2019)
Mrs. Urja Gami – Independent Director
(Resigned as on October 09, 2019)

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:

KFin Technologies Private Limited
Karvy Selenium Tower B, Plot 31-32,
Nr. Financial District,
Nanakramguda, Gachibowli,
Hyderabad - 500032, India.

SECRETARIAL AUDITOR

M/s. K. P. Ghelani & Associates

INTERNAL AUDITOR

M/s. P. Ghanshyam & Co.

CHAIRMAN MESSAGE

Dear stakeholders,

I am pleased to share with you an update on your Company's performance for 2019-2020. Despite the challenging economic conditions, we had a productive year, growth, and transformation initiatives, expanding and deepening our relationships, and deploying very impactful solutions.

The recent global COVID-19 pandemic that has spread across the world has affected business, industry, and many aspects of our lives. At Vishal, we have taken significant steps to help minimize the health risks of all our associates and business partners.

Vishal Bearings Limited's Board of Directors continues to play a pivotal role in providing timely advice and serving as a source of inspiration. The Board's involvement in encouraging, guiding and challenging the team in various activities is unparalled. I want to take this opportunity to thank them for their time and wisdom. We remain confident in our strategic direction and we thank all our Shareholders for your trust and faith, which have helped drive our success over the years. I would also like to thank all our associates for their hard work, and Stakeholders for their ongoing support.

Your company is focused on customer growth metrics and has successfully added new OEMs and Distributors which contributed to the overall revenue. The current status of your company's new order book in the pipeline from both domestic and exports customers is vibrant and healthy.

Your company has been closely monitoring the status of the pandemic outbreak and its potential unforeseen adverse impact. Anticipating the further time-scape of the current restrictions implemented by the Government of India, to curb the outbreak of virus in the coming days, all our critical business functions and support facilities have geared up to adapt to this novel working environment to create a robust dynamic structure for business continuity with contingency plans into action.

Our top priority is the safety and well-being of our employees, who are vital to support our customers and the communities we operate in. Considering the potential risks of safety we have implemented a number of preventative and precautionary actions with immediate effect to ensure employee well-being and continued service of our customers.

While Our Company has grown leaps and bounds over the years, we have stayed true to our core values and we will continue to move the world forward through our products and actions and delivering good results along the way.

Best Wishes,
Hiralal Changela
Chairman

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29th Annual General Meeting

Date	:	December 26, 2020
Day	:	Saturday
Time	:	04.00 P.M.
Venue	:	Through Video Conferencing (VC) / Other Audio Visual Means (OAVM)

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

BOARD OF DIRECTORS' REPORT

To
The Members,

The Directors have pleasure in presenting their **29th Annual Report** and Audited Financial Statements for year ended 31st March, 2020.

FINANCIAL SUMMARY AND HIGHLIGHTS:
A summary of the Company's financial results for the Financial Year 2019-2020 is as under:

Financial Particulars	For the year ended March 31	
	2020	2019
Revenue from operations	519,815,807	805,383,819
Other Incomes	7,009,648	4,832,239
Total revenues	**526,825,455**	**810,216,058**
Cost of Material consumed	341,253,964	534,812,097
Changes in Inventory	(22,594,263)	(53,865,585)
Employee Benefit expense	78,469,670	86,499,726
Finance Costs	29,778,776	33,648,536
Depreciation and amortization expense	36,467,618	32,188,788
Other expenses	63,806,790	87,616,019
Total Expenses	**527,182,554**	**720,899,581**
Profit before tax	(357,100)	89,316,476
Tax expense	(462,012)	25,335,648
Profit for the year	**104,912**	**63,980,828**

OPERATIONAL OVERVIEW:
Overall business trends in 2019 were on downturn due to a reduction in domestic demand and global turmoil. Companies are trying to have their stand for sustainability in such tangible crisis, which has created the disruption in the market, your company is trying to maintain its continuity in the business as a coping mechanism.

Last quarter of financial year 2019-20 revealed the positive indication in terms of demands from domestic market. With the outbreak of COVID-19 in March 2020, possibility of improvement in Q1 in 2020-21 looks challenging.

Your company is optimistic about growth plan and expending the wings to reach the customers and provide cost effective Engineering & Bearing solutions. In continuation of last year, focus is to expand the distribution network and addition of new, OEM customers with expanding or product portfolio.

The export business focus is to add new dimensions in your company's export business by expanding geographical reach.

The market is very unpredictable, but company is trying to understand the new gradually evolving dynamics of the market.

In current crisis most of the employees were working from home which proved to be support system for maintaining the continuity in business in such limited resources. The Company is on experimental mode to try new avenues with help of technology in this digital era.

IMPACT AND IMPLICATIONS OF COVID-19 ON THE AUTOMOTIVE INDUSTRY

The COVID-19 pandemic has pushed humanity and the global economy into a crisis not seen since The Great Depression. In their effort to curb this pandemic, the Indian government, like many others, has enforced a national lockdown for 21 days. While the lockdown may have helped limit the spread of the virus, it has severely affected the economy, disrupting entire value-chains of most major industries in India. The automotive industry is no different.

The auto sector had already undergone considerable slowdown over the last 12-18 months due to structural changes beginning with the Goods and Services Tax, shift to Shared Mobility, Axle-load reforms, the Bharat Stage-IV (BS-IV) to Bharat Stage-VI (BS-VI) transition, Liquidity Crunch and so on. The COVID-19 lockdown has had a multiplier effect the industry has almost been at a complete stand still since 24th March. A prolonged truncation of consumer demand due to the lockdown is seen significantly affecting auto manufacturers (OEMs) revenues and cash flows.

In response, most of the companies are starving research and development (R&D) funding to sustain core operations and potentially setting back the progress made on alternate fuel and mobility technologies by 2-4 quarters. Eventually, some companies may even choose to take a strategic call to exit unprofitable markets and vehicle segments**.**

COVID-19

The World Health Organization declared a global pandemic of the Novel Corona virus disease (COVID-19) on February 11, 2020. To prevent the rapid rise of infections, governments almost all countries severely restricted travel, mandated extreme 'social distancing' measures and reduced demand supply chains to only those that are 'essential'. Office complexes, such as our campuses, our client offices and supplier offices, have been asked to operate with minimal or no staff for extended periods of time.

The crisis has affected, and continues to impact, our key stakeholders, employees, clients, vendor and the communities that we operate in. In responding to this crisis, our primary objective is to ensure the safety of our employees, to deliver our client commitments, and put in place mechanisms to protect the financial well-being of the Company and protect its long-term prospects.

TRANSFER TO RESERVES:

In view of the losses incurred, no amount has been transferred to reserves during the year under review.

PUBLIC DEPOSITS:

Your Company has not accepted or renewed any deposits under Chapter V of the Companies Act, 2013 read with Companies (Acceptance of Deposit) Rules, 2014, during the Financial Year 2019-2020.

LOAN FROM DIRECTORS:

During the Financial Year 2019-20, the Company has accepted loans from the directors of the Company for which the Company has received the declaration that the said loan is not from the borrowed funds.

DISCLOSURE OF ORDERS PASSED BY REGULATORS OR COURTS OR TRIBUNAL:
There were no significant and material orders passed by any Regulators or Courts or Tribunals during the financial year ended March 31, 2020, impacting the going concern status and Company's operations in future.

STATE OF COMPANY'S AFFAIRS AND BUSINESS REVIEW:
The details of the Company's affairs including its operations are more specifically given in the Management Discussion and Analysis Report, which forms part of this Annual Report.

CHANGE IN THE NATURE OF BUSINESS:
The Company manufactures Rollers and bearings for industrial applications. There has been no change in the main nature of business activities of the Company during the financial year under review.

DIVIDEND:
During the year under review, the Company has not recommended and declared dividend by the Board of Directors.

SHARE CAPITAL:
The paid-up Equity Share Capital as at March 31, 2020 stood at Rs. 10.79 crore. During the year under review, No change of share capital of the Company. 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, 2020, 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:
There has been no material change/commitment affecting the financial position of the Company during the period from the end of the financial year on 31st March, 2020 to the date of this Report.

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:

1.	Managing Director	**Mr. Dilipkumar Changela**
2.	Whole time director	**Mr. Hiralal Changela**
3.	Whole time director	**Mr. Vrajlal Changela**
4.	Chief Financial Officer	**Mr. Vishal Changela**
5.	Chief Executive Officer	**Mr. Divyesh Changela**

6.	Company Secretary	**Mr. Ketankumar Savaliya**

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 29th Annual General Meeting.

MEETINGS OF THE BOARD:

Six meetings of the Board of Directors were held during the financial year 2019-20 and the gap between two consecutive board meetings was within the limits prescribed under the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The details of the number of meetings held and attended by each Director are provided in the Corporate Governance Report, which forms part of this Annual Report.

DIRECTOR'S RESPONSIBILITY STATEMENT:

Your Directors wish to inform Members that the Audited Accounts containing Financial Statements for the Financial Year 2019-20 are in conformity with the requirements of the Companies Act, 2013. Your company's financial statements reflect fairly, the form and substance of transactions carried out during the year and reasonably present the financial condition and results of operations.

In terms of provisions of Section 134(3) (c) of the Companies Act, 2013, your Directors further herby confirms as under:

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 31st March, 2020 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.

G. Company has adopted policies and procedures for ensuring the orderly and efficient conduct of its business, including adherence to company`s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information;

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. The details of all the Committees of the Board along with their terms of reference, composition and meetings held during the year, are provided in the Report on Corporate Governance which forms part of this Annual 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 thereunder 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 Shareholder/Investors Relationship Committee in accordance with the requirements of the Companies Act, 2013 read with the rules made thereunder and Regulation 20 of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015. Composition of Shareholder'/Investors Relationship Committee is given in Corporate Governance Report.

CORPORATE SOCIAL RESPONSIBILITY COMMITTEE:

The Company has in place a Corporate Social Responsibility Committee in accordance with the requirements of the Companies Act, 2013 read with the rules made there under and SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015. Composition of Corporate Social Responsibility Committee is given in Corporate Governance Report.

REMUNERATION POLICY:

In compliance with Section 178(3) of the Companies Act, 2013 and on the recommendation of Nomination and Remuneration Committee, the Board framed a Nomination and Remuneration policy, which is generally in line with the existing industry practice and applicable laws. The main object of the said policy is to select and appoint Directors, Key Managerial Personnel and Senior Management and to ensure that the level and composition of remuneration is reasonable and sufficient to attract, motivate and retain the talent within the organization.

Details of remuneration paid to Directors and KMP`s forms part of Corporate Governance Report which is annexed to this Annual Report.

BOARD EVALUATION:

As per requirement of section 134(3)(p) of the Companies Act, 2013 read with Rule 8 (4) of Companies (Accounts) Rules, 2014 and other applicable rules and regulations, the Board has a formal mechanism for evaluating its performance annually based on the criteria laid down by Nomination and Remuneration Committee which included attendance, contribution at the meetings and otherwise, independent judgment, adherence to Code of Conduct and Business ethics, monitoring of regulatory compliance, risk assessment and review of Internal Control Systems etc.

The Board carried out annual performance evaluation of the Board of Directors, its Committees, and Individual Directors. The performance of the Board was shared with Board members and suggestions were evaluated in detail. Further the reports on performance evaluation of the Individual Directors were reviewed by the Chairman of the Board and based on the evaluation necessary changes in processes and policies were suggested for having an effective Board.

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.

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

The information pertaining to conservation of energy, technology absorption, foreign exchange earnings and outgo as required under Section 134 (3)(m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014 is furnished in Annexure I to this Report.

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:

The statement under Section 134(3) (q) and Section 197 (12) of Companies Act, 2013 read with Rule 5(1) of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 forms part of this Report as Annexure 'V'.

STATUTORY AUDITORS:

In accordance with the provisions of Companies Act, 2013, M/s. SVK & Associates, Chartered Accountants, (Firm Registration No. 118564W) was appointed as Statutory Auditor for a period of 5 continuous years from the conclusion of 24th Annual General Meeting till the conclusion of 29th 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 Auditor's Report on the Standalone Financial Statement of the Company for the Financial Year 2019-20 does not contain any qualification, reservation, or adverse remark.

The Directors of your Company confirm that no instances of frauds or mismanagement were reported by the Statutory Auditor under Section 143 (12) of the Companies Act, 2013.

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

M/s. SVK & Associates, Chartered Accountants, (Firm Registration No. 118564W) re- appointed as Statutory Auditor of the company to hold office for second term from the conclusion of 29th Annual General Meeting till the conclusion of 34th Annual General Meeting of the Company.

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, 2020 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.

MAINTENANCE 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 2019-20.

SECRETARIAL STANDARDS

The Company has complied with the applicable Secretarial Standards during the Financial Year 2019-20.

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 2020-21.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS:

Details of loans, guarantees and investments covered under Section 186 of the Companies Act, 2013 are stated in the notes to accounts of Financial Statements, forming part of this Annual Report.

RELATED PARTY TRANSACTIONS (RPTS):

The contracts or arrangements with related parties, which fall under the scope of Section 134 (3)(h) and section 188 (1) of the Companies Act, 2013 read with rule 8(2) of the Companies

(Accounts) Rules, 2014 are given in 'Annexure' in Form AOC -2 and the same forms part of this Annual Report.

All Related Party Transactions are presented to the Audit Committee and the Board. Omnibus approval is obtained for the transactions which are foreseen and repetitive in nature. A statement of all related party transactions is presented before the Audit Committee on a quarterly basis, specifying the nature, value and terms and conditions of the transactions. Further, the details of the transactions with Related Party are provided in the Company's financial statements in accordance with the Accounting Standards.

EXPLANATION OR COMMENTS ON QUALIFICATIONS, RESERVATIONS OR ADVERSE REMARKS OR DISCLAIMERS MADE BY THE AUDITORS AND THE PRACTICING COMPANY SECRETARY IN THEIR REPORTS AND MANAGEMENT`S REPLY FOR THE SAME:

There are no qualifications, reservations or adverse remarks made by the Statutory Auditors in their report on the Financial Statements of the Company for year ended March 31, 2020. The notes to the accounts are self-explanatory to comments/observations made by the Auditors in their report and do not require further explanation.

There are no qualifications, reservations or adverse remarks in the Secretarial Audit Report of the Company during the period of review.

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.

INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY:

The Company has an internal control system commensurate with the size, scale and complexity of its operations and well-documented procedures for various processes which are periodically reviewed for changes warranted due to business needs. Internal Audit is conducted at regular time interval in the Company. The scope and authority of the Internal Audits defined by Audit committee. This system of internal control facilitates effective compliance of Section 138 of the Act and the Listing Regulations.

To maintain its objectivity and independence, the Internal Auditor reports to the Chairman of the Audit Committee of the Board. The Internal Auditor monitors and evaluates the efficiency and adequacy of the internal control system with reference to the Financial Statement. Audit committee evaluates the efficiency and adequacy of internal control systems in the Company, its compliance with operating systems, accounting procedures and policies. Based on the report of internal auditor, process owners undertake corrective actions in their respective areas and thereby strengthen the controls. Significant audit observations and corrective actions thereon are presented to the Audit Committee. During the year under review, no reportable material weakness in the operation was observed. Regular audit and review processes ensure that such systems are reinforced on an ongoing basis.

MSME:

The Ministry of Micro, Small and Medium Enterprises vide their Notification dated 2nd 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:
The Company has a Whistle Blower Policy and has established the necessary vigil mechanism for directors and employees in confirmation with Section 177(9) of the Act and Regulation 22 of Listing Regulations, to report concerns about unethical behavior. The details of the policy have been disclosed in the Corporate Governance Report, which is a part of this report.

During the year, no person has been declined access to the Audit Committee, wherever desired and the mechanism provides for addressing the complaints to Audit Committee and direct access to the Chairperson of the Audit Committee in exceptional circumstances.

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 is committed to provide healthy environment to all employees and thus, does not tolerate any discrimination or harassment in any form. In line with the requirements of The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, the Company has adopted the Anti-Harassment and Grievance Redressal Policy.

All employees (permanent, contractual, temporary and trainees) are covered under this policy. During the year, Company has not received any complaint of sexual harassment.

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:
As per the Regulation 15 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (SEBI Regulations), based on the paid-up equity share capital and net worth of the Company, the corporate governance provisions mentioned in SEBI Regulations are not applicable to the Company. However, the Company for stakeholders' information and as a good secretarial practice is providing certain information on voluntary basis in Corporate Governance report which forms an integral part of this report.

CORPORATE GOVERNANCE DETAILS AS REQUIRED UNDER SCHEDULE V OF THE COMPANIES ACT, 2013
The disclosures to be mentioned in pursuance of Section II of Part II of Schedule V of the Act have been mentioned in the Corporate Governance Report.

MANAGEMENT DISCUSSION AND ANALYSIS:
The Management Discussion and Analysis Report, as required by Schedule V of the SEBI (Listing Obligation sand Disclosure Requirements) Regulations, 2015, are already dealt with in various sections of this Report. The Management Discussion and Analysis Report is separately annexed and forms part of this report.

ANNEXURES FORMING PART OF THIS ANNUAL REPORT:

Annexure No.	Particulars
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
II	Form no. AOC-2 –Related party transactions
III	Particulars of Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo

ACKNOWLEDGEMENT:

Your Directors wish to place on records their sincere appreciation to all the Employees of the Company for the efforts, efficient work management, loyal services, commitment, and dedication that developed the culture of professionalism. Your Directors also thank and express gratitude to the Company's Customers, Vendors, and Institutions. Your Directors also wish to express deep sense of gratitude to all our Bankers, Central and State Governments and their departments and the local authorities for the continued support.

Your Directors register their sincere appreciation to the Shareholders of the Company for unstinted support and confidence reposed in the management of the Company.

Your Directors regret the loss of life due to COVID-19 pandemic and are deeply grateful and have immense respect for every person who risked their life and safety to fight this pandemic.

Your Directors appreciate and value the contribution made by every member of the Vishal Bearings family.

For and on behalf of the Board
For Vishal Bearings Limited

Dilipkumar Changela
Managing Director
DIN: 00247302

Date: 25.11.2020
Place: Shapar, Rajkot

FORM NO. MGT 9
EXTRACT OF ANNUAL RETURN
AS ON FINANCIAL YEAR ENDED ON 31.03.2020

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

I. REGISTRATION & OTHER DETAILS:		
1	CIN	L29130GJ1991PLC016005
2	Registration Date	24 July 1991
3	Name of the Company	**VISHAL BEARINGS LIMITED**
4	Category/Sub-category of the Company	Company limited by shares / Indian Non-Government Company
5	Address of the Registered office & contact details	Survey No. 22/1, Plot No.1, Shapar Main Road, Shapar (Veraval), Rajkot – 360 002 , Gujarat. 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.	**KFIN TECHNOLOGIES PRIVATE LIMITED** Karvy Selenium Tower B, Plot 31-32, Gachibowli, Financial District,Nanakramguda, Hyderabad – 500032, India. Tel: +91 040-6716-1527 Fax: +91 40-23431551 E-Mail Id: vasanth.g@kfintech.com Website: www.karvyfintech.com

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

(All the business activities contributing 10 % or more of the total turnover of the company shall be stated)

S. No.	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the company
1	All kinds of automobile and engineering bearing parts such as Cons, Tapper, Balls, Rollers and Needles	2814	100

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

S. No.	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-2019]				No. of Shares held at the end of the year [As on 31-March-2020]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a)Individual/ HUF	42,21,025	-	42,21,025	70.41	75,97,845		75,97,845	70.41	0.00%
b) Central Govt	-	-	-	0.00%	-	-	-	0.00%	0.00%
c) StateGovt(s)	-	-	-	0.00%	-	-	-	0.00%	0.00%
d) BodiesCorp.	-	-	-	0.00%	-	-	-	0.00%	0.00%
e) Banks / FI	-	-	-	0.00%	-	-	-	0.00%	0.00%
f) Any other	-	-	-	0.00%	-	-	-	0.00%	0.00%
Sub Total	**42,21,025**	**-**	**42,21,025**	**70.41**	**75,97,845**	-	**75,97,845**	**70.41**	**0.00%**
(2) Foreign									
a) NRI Individuals	-	-	-	0.00%	-	-	-	0.00%	0.00%
b) Other Individuals	-	-	-	0.00%	-	-	-	0.00%	0.00%
c) Bodies Corp.	-	-	-	0.00%	-	-	-	0.00%	0.00%
d) Any other	-	-	-	0.00%	-	-	-	0.00%	0.00%
Sub Total	-	-	-	0.00%	-	-	-	0.00%	0.00%
TOTAL (A)	**4221025**	**-**	**4221025**	**70.41**	**75,97,845**	-	**75,97,845**	**70.41**	**0.00%**
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	-	-	-	0.00%	-	-	-	0.00%	0.00%
b) Banks / FI	-	-	-	0.00%	-	-	-	0.00%	0.00%
c) Central Govt	-	-	-	0.00%	-	-	-	0.00%	0.00%
d) State Govt.	-	-	-	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) FIIs	-	-	-	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%
Sub-total (B):	-	-	-	0.00%	-	-	-	0.00%	0.00%
2. Non-Institutions									
a) Bodies Corp.									
i) Indian	-	-	-	0.00%	-	-	-	0.00%	0.00%
ii) Overseas	-	-	-	0.00%	-	-	-	0.00%	0.00%

b) Individuals	-	-	-	0.00%	-	-	-	0.00%	0.00%
i) Individual shareholders holdingShare Capital upto Rs. 2 lakh	7,14,374	-	7,14,374	11.92%	9,70,901	-	9,70,901	9.00%	-01.66%
ii) Individual shareholders holdingShare Capital in excess of Rs. 2 lakh	9,94,350	-	9,94,350	16.59%	21,38,804	-	21,38,804	19.82%	-07.55%
c) Others (specify)	65,251	-	65,251	1.09%	83,450	-	83,450	0.77%	-00.16%
NRI	-	-	-	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%
Sub-total (B):	17,73,975		17,73,975	29.59%	31,93,155	-	31,93,155	29.59%	0.00%
Total Public (B)	**17,73,975**		**17,73,975**	**29.59%**	**31,93,155**	**-**	**31,93,155**	**29.59%**	**0.00%**
C. Shares held by Custodian for GDRs & ADRs	-	-	-	0.00%	-	-	-	0.00%	0.00%
Grand Total (A+B+C)	**59,95,000**	**-**	**59,95,000**	**100.00%**	**107,91,000**		**10,791,000**	**100.00%**	**0.00%**

(ii) Shareholding of Promoter

SN	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged/ encumbered to total shares	
1	Mr. Hiralal G. Changela	666250	11.11%	-	1199250	11.11%	-	0.00%
2	Mr. Dilipkumar G. Changela	662500	11.05%	-	1192500	11.05%	-	0.00%
3	Mr. Vrajlal G. Changela	655000	10.93%	-	1179000	10.93%	-	0.00%

(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
Mr. Hiralal G. Changela						
At the beginning of year	01.04.2019		6,66,250	11.11%	6,66,250	11.11%
Changes during the year	Bonus Issue Shares		5,33,000	-	-	-
At the end of the year	31.03.2020		11,99,250	11.11%	11,99,250	11.11%
Mr. Dilipkumar G. Changela						
At the beginning of year	01.04.2019		6,62,500	11.05%	6,62,500	11.05%
Changes during the year	Bonus Issue Shares		5,30,000	-	-	-
At the end of the year	31.03.2020		11,92,500	11.05%	11,92,500	11.05%
Mr. Vrajlal G. Changela						
At the beginning ofyear	01.04.2019		6,55,000	10.93%	6,55,000	10.93%
Changes during the year	Bonus Issue Shares		5,24,000	-	-	-
At the end of the year	31.03.2020		11,79,000	10.93%	11,79,000	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	**Darshit D. Changela**						
	At the beginning of the year	01.04.2019		2,45,975	4.10%	2,45,975	4.10%
	Changes during the year	Bonus Issue of Shares		1,96,780	-	-	-
	At the end of the year	31.03.2020		4,42,755	4.10%	4,42,755	4.10%
2	**Girishkumar G. Changela**						
	At the beginning of the year	01.04.2019		2,17,500	3.63%	2,17,500	3.63%
	Changes during the year	Bonus Issue of Shares		1,74,000	-	-	-
	At the end of the year	31.03.2020		391500	3.63%	391500	3.63%
3	**Jayana G. Changela**						
	At the beginning of the year	01.04.2019		2,17,500	3.63%	2,17,500	3.63%
	Changes during the year	Bonus Issue of Shares		1,74,000	-	-	-
	At the end of the year	31.03.2020		3,91,500	3.63%	3,91,500	3.63%
4	**Rinkuben D. Changela**						
	At the beginning of the year	01.04.2019		2,05,000	3.42%	2,05,000	3.42%
	Changes during the year	Bonus Issue of Shares		1,64,000	-	-	-
	At the end of the year	31.03.2020		3,69,000	3.42%	3,69,000	3.42%
5	**Vishal V. Changela**						
	At the beginning of the year	01.04.2019		2,03,000	3.39%	2,03,000	3.39%
	Changes during the year	Bonus Issue of Shares		1,62,400	-	-	-
	At the end of the year	31.03.2020		3,65,400	3.39%	3,65,400	3.39%
6	**Jayshriben H. Changela**						
	At the beginning of the year	01.04.2019		1,66,250	2.77%	1,66,250	2.77%
	Changes during the year	Bonus Issue of Shares		1,33,000	-	-	-

	At the end of the year	31.03.2020	2,99,250	2.77%	2,99,250	2.77%
7	**Rasilaben D. Changela**					
	At the beginning of the year	01.04.2019	1,66,250	2.77%	1,66,250	2.77%
	Changes during the year	Bonus Issue of Shares	1,33,000	-	-	-
	At the end of the year	31.03.2020	2,99,250	2.77%	2,99,250	2.77%
8	**Jyotiben V. Changela**					
	At the beginning of the year	01.04.2019	1,66,250	2.77%	1,66,250	2.77%
	Changes during the year	Bonus Issue of Shares	1,33,000	-	-	-
	At the end of the year	31.03.2020	2,99,250	2.77%	2,99,250	2.77%
9	**Falguniben P. Vasani**					
	At the beginning of the year	01.04.2019	1,53,750	2.56%	1,53,750	2.56%
	Changes during the year	Bonus Issue of Shares	1,23,000	-	-	-
	At the end of the year	31.03.2020	2,76,750	2.56%	2,76,750	2.56%
10	**Paresh P. Vasani**					
	At the beginning of the year	01.04.2019	1,46,250	2.43%	1,46,250	2.43%
	Changes during the year	Bonus Issue of Shares	1,17,000	-	-	-
	At the end of the year	31.03.2020	2,63,250	2.43%	2,63,250	2.43%

(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	**Hiralal Changela – Whole time Director**						
	At the beginning of the year	01.04.2019		6,66,250	11.11%	6,66,250	11.11%
	Changes during the year	Bonus issue of Shares		5,33,000	-	-	-
	At the end of the year	31.03.2020		11,99,250	11.11%	11,99,250	11.11%
2	**Dilipkumar Changela – Managing Director**						
	At the beginning of the year	01.04.2019		6,62,500	11.05%	6,62,500	11.05%
	Changes during the year	Bonus issue of shares		5,30,000	-	-	-
	At the end of the year	31.03.2020		11,92,500	11.05%	11,92,500	11.05%
3	**Vrajlal Changela – whole time Director**						
	At the beginning of the year	01.04.2019		6,55,000	10.93%	6,55,000	10.93%
	Changes during the year	Bonus issue of shares		5,24,000	-	-	-
	At the end of the year	31.03.2020		11,79,000	10.93%	11,79,000	10.93%
4	**Vishal Changela – CFO**						
	At the beginning of the year	01.04.2019		2,03,000	3.39%	2,03,000	3.39%
	Changes during the year	Bonus issue of shares		1,62,400	-	-	-
	At the end of the year	31.03.2020		3,65,400	3.39%	3,65,400	3.39%
5	**Divyesh kumar Changela – CEO**						
	At the beginning of the year	01.04.2019		1,36,150	2.27%	1,36,150	2.27%
	Changes during the year	Bonus issue of shares		1,08,920	-	-	-
	At the end of the year	31.03.2020		2,45,070	2.27%	2,45,070	2.27%
6	**Ketankumar Savaliya – CS**						
	At the beginning of the year	01.04.2019		7500	0.12%	6000	0.12%
	Changes during the year	Bonus issue of shares		6000	-	-	-

	At the end of the year	31.03.2020	13,500	0.12%	13,500	0.12%
7	**Amee Dadhania – Independent Director**					
	At the beginning of the year	01.04.2019	-	-	-	-
	Changes during the year	-	-	-	-	-
	At the end of the year	31.03.2020	-	-	-	-
8	**Rakesh Savani – Independent Director**					
	At the beginning of the year	01.04.2019	-	-	-	-
	Changes during the year	-	-	-	-	-
	At the end of the year	31.03.2020	-	-	-	-
9	**Nitesh kumar Patel – Independent Director**					
	At the beginning of the year	01.04.2019	-	-	-	-
	Changes during the year	-	-	-	-	-
	At the end of the year	31.03.2020	-	-	-	-

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
Indebtedness at the beginning of the financial year				
i) Principal Amount	12,23,73,847/-	20,20,86,741/-	-	33,33,82,367/-
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	**12,23,73,847/-**	**21,10,08,520/-**	**-**	**33,33,82,367/-**
Change in Indebtedness during the financial year				
* Addition	2,18,47,750/-	1,07,25,926/-	-	3,25,73,676/-
* Reduction	-	-	-	-
Net Change	**2,18,47,750/-**	**1,07,25,926/-**	**-**	**3,25,73,676/-**
Indebtedness at the end of the financial year				
i) Principal Amount	14,42,21,597/-	21,28,12,667/-	-	35,70,34,264/-
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	**14,42,21,597/-**	**21,28,12,667/-**	**-**	**35,70,34,264/-**

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	20,00,000.00	20,00,000.00	20,00,000.00	60,00,000.00
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	-	-	-	-
2	Stock Option	-	-	-	-
3	Sweat Equity	-	-	-	-
4	Commission	-	-	-	-
	- as % of profit	-	-	-	-
	- others, specify	-	-	-	-
5	Others, please specify	-	-	-	-
	Total	**20,00,000.00**	**20,00,000.00**	**20,00,000.00**	**60,00,000.00**

B. Remuneration to other Directors

SN.	Particulars of Remuneration	Name of Director				Total Amount (Rs/Lac)
	Independent Directors	Mr. Rakesh Savani	Mrs. Urja Gami	Mr. Nitesh kumar Patel	Ms. Amee Dadhania	
1	Fee for attending board committee meetings	12,000	8,000	12,000	4,000	36,000
	Commission	-	-	-	-	-
	Others, please specify	-	-	-	-	-
	Total (1)	12,000	8,000	12,000	4,000	36,000
2	Other Non-Executive Directors					
	Fee for attending board committee meetings	-	-	-	-	-
	Commission	-	-	-	-	-
	Others, please specify	-	-	-	-	-
	Total (2)	-	-	-	-	-
Total (B)=(1+2)		12,000	8,000	12,000	4,000	36,000
Total Managerial Remuneration (A+B)						**36,000**

* Resignation of Ms. Urja Gami as on October 09, 2019.
** Appointment of Ms. Amee Dadhania as on August 27, 2019.

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

SN.	Particulars of Remuneration	Name of Key Managerial Personnel			Total Amount (Rs/Lac)
	Name	Mr. Vishal Changela	Mr. Divyesh Changela	Mr. Ketan Savaliya	
	Designation	CFO	CEO	CS	
1	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	18,00,000	18,00,000	2,80,000	38,80,000
	(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	-	-	-	-
	Total	**18,00,000**	**18,00,000**	**2,80,000**	**38,80,000**

II. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

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

By Order of The Board of Directors
Vishal Bearings Limited

Date: 25.11.2020
Place: Shapar, Rajkot

Dilipkumar Changela
Managing Director
DIN: 00247302

FORM NO. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31ST MARCH 2020

[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 31ST March, 2020 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, 2020 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 (SME Platform).

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. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

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

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

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

I further report that during the audit period there was no event/action having a major bearing on company's affair in pursuance of the above – referred laws, rules, regulations, guidelines, standards, etc;

For K. P. GHELANI & ASSOCIATES
Company Secretaries

Date: November 25, 2020
Place: Rajkot

CS Keyur Ghelani
Proprietor
Mem No. ACS 33400
CoP: 12468
UDIN: A033400B001306463

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

Annexure - I

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

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

1. Maintenance of secretarial records is the responsibility of management of the Company. My responsibility is to express an opinion on these secretarial records based on my audit.

2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. I believe that the processes and practices, I followed provide a reasonable basis for my opinion.

3. I have not verified the correctness and appropriateness of financial records and books of accounts of the company.

4. Wherever required, I have obtained the Management Representation about the compliance of laws, rules and regulations and happening of events, etc.

5. The compliance of the provisions of corporate and other applicable laws, rules and regulations, standards is the responsibility of the management. My examination was limited to the verification of procedures on test basis.

6. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For K. P. GHELANI & ASSOCIATES
Company Secretaries

Date: November 25, 2020
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

(I)	The remuneration of each Director of the company for the financial year:		
Sr. No.	**Name**	**Designation**	**Remuneration for the F.Y. 2019-2020 (In Rs.)**
1	Mr. Hiralal G. Changela	Whole time director	20,00,000
2	Mr. Dilipkumar G. Changela	Managing Director	20,00,000
3	Mr. Vrajlal G. Changela	Whole time director	20,00,000
(II)	The increase in salary/Remuneration of each Director, CEO, CFO, Company Secretary or Manager, if any, in the financial year:		
Sr. No.	**Name**	**Designation**	**Salary/Remuneration for the F.Y. 2019-2020 (In Rs.)**
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	Mr. Ketankumar Savaliya	CS	2,80,000
7	Mr. Darshit D. Changela	Manager	18,00,000
8	Mr. Vijay V. Changela	Manager	18,00,000
(III)	The remuneration paid to Non – Executive Directors which includes sitting fees is to their attendance in Board and Committee Meetings.		
(IV)	the number of permanent employees on the rolls of company;	173 employees as on 31.03.2020	
(V)	the explanation on the relationship between increase in remuneration and company performance;	Increase in remuneration of key managerial personnel for the year 2020 which is partly based on the results of the Company for the year ended 31.03.2020 and partly on the individual performance.	
(VI)	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, 2020 was Rs. 38.85 Crore (Rs. 31.77 Crore as on March 31, 2019). The price earnings ratio of the Company was 0.01 as at March 31, 2020 and was 5.93 as at March 31, 2019 (based on annualized EPS).	
(VII)	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.	
(VIII)	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.	
(X)	affirmation that the remuneration is as per the remuneration policy of the company.	Remuneration paid during the year ended March 31, 2020 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: 25.11.2020

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, 2020 which were not at arm's length basis: **NIL**

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

Sr. No.	Particulars	Details
1	Name(s) of the related party and nature of relationship	Virdeep Bearings Rollers LLP – Group LLP
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 2019-20
5	Date of approval by Board	14.05.2019
6	Amount paid as advance, if any	Nil

Sr. No.	Particulars	Details
1	Name(s) of the related party and nature of relationship	Virdeep Bearings Rollers LLP – Group Firm
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 2019-20
5	Date of approval by Board	14.05.2019
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 2019-20
5	Date of approval by Board	14.05.2019
6	Amount paid as advance, if any	Nil

Date: 25.11.2020
Place: Shapar, Rajkot

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 31.03.2020	Year Ended 31.03.2019
Electric, Power and Fuel	29,369,532	37,657,699

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	2019-2020	2018-2019
Foreign Exchange earned during the year		
- Sale of Goods	1,445,789	667,133
Foreign Exchange outgo during the year	-	-
- Raw Materials	103,687,318	351,574,229
- Capital Goods	33,563,026	7,742,350

Date: 25.11.2020
Place: Shapar, Rajkot

Dilipkumar Changela
Managing Director
DIN: 00247302

MANAGEMENT DISCUSSION AND ANALYSIS

GLOBAL ECONOMY

The global economy witnessed a sluggish 2019, registering a growth of 2.9%. A sharp contraction in growth by 3% for 2020 is also estimated (Source: International Monetary Fund). Economic activities were principally upended by the general slowdown, rising trade disputes, intensifying geopolitical tensions, and the unprecedented Covid-19 pandemic. The global economy, even against the confluence of risks, is expected to grow by 5.8% in 2021. The economic activities are anticipated to normalize gradually. Appropriate support by various policies and the containment efforts are expected to steadily unwind whilst the pandemic fades slowly. (Source: International Monetary Fund World Economic Outlook, April 2020)

INDIAN ECONOMY

The Indian economy, backed by its partnerships and strong democracy, is one of the world's fastest-growing economies. As per a report released in April 2020, by the Global Rating Agency, Fitch, India's GDP growth rate is projected at 0.8% for 2020-21. It is further likely to rebound to 6.7% in 2021-22. The slowdown in the current year can be attributed to the Center-imposed lockdown, addressing the need of containment to limit the spread of Coronavirus. The relatively lower growth rate in the previous financial year can also be attributed to a credit squeeze, sluggish manufacturing growth, subdued consumption, and the global economic slowdown. Before the pandemic, even though the economic activities remained muted, survey indicators suggested improvement across both, manufacturing, and services sectors. Additionally, several monetary policies and reduced trade policy tensions assisted in improving the otherwise weakening financial conditions. The manufacturing Purchasing Managers Index (PMI) fell from 54.5 in February 2020 to 51.8 in March 2020. On the other hand, the Index of Industrial Production rose by 4.5% in February 2020 over the corresponding figure last year. However, it is expected to shrink in March, triggered by the Covid-19 crisis (Source: Bloomberg Quint dated April 09, 2020). It is indeed unfortunate that the first month of the current year, that began on a positive note, took a downward trend in March. However, the collapse in oil prices will aid in reducing the fiscal deficit, ease pressure on inflation, and interest rate, besides reviving the economic activities.

Measures taken by Government of India in 2019 – 20 like, RBI's repo-rate cut by 110 basis points since April 2019 to ease the credit flow in the economy and improve consumption growth, cut in the basic corporate tax rate to 22% from 30% for existing companies and to 15% from 25% for new manufacturing companies, announcement of INR 102 Lac Crore on infrastructure through the National Infra Pipeline (NIP) and many more such policy reforms, helped build some temporary positive sentiments to hold on the economy throughout the year. In the last quarter Indian Economy had started seeing some positive revivals where Industrial production in India jumped 2% in January 2020, following a revised 0.1% rise in December 2020, biggest annual gain in industrial output since August 2020.

But in January 2020 when CORONA Pandemic was at its infancy stage in few pockets outside India, few market analysts in their estimate had already started cutting down forecast for India's GDP growth for 2019-20 from 5.1 percent to 4.9 per cent, and from 5.9 per cent to 5.4 per cent for 2020-21. Slowly with the increasing outbreak of corona the entire world started grappling with the pandemic.

Indian bearing market is estimated at Rs. 95 billion and it constitutes less than 5% of global bearing demand. In terms of consumption, about 60% requirement is catered through domestic production while remaining is through imports.

Mainly Indian Industrial bearing market catered through domestically manufactured bearings except large size and special bearings. In terms of demand dynamics, OEMs constitute 60% of demand whereas rest is driven by aftermarket and exports.

Industrial segments constitute approximately 52% of domestic bearing demand which is largely driven by general machines/motors, electrical equipment (fans/appliances) as well as heavy industries. Increasing automation in manufacturing units, thrust by Government's 'Make in India' program, spending towards railways and metros will support growth of manufacturing and engineering sector, which augurs well for bearing industry. Usage of bearings is fairly diversified in industrial segments. Also, Indian bearing manufacturers derives sizeable share of their revenue from exports as well as aftermarket business which lends stability to the business as well as mitigates impact of cyclicality in any segment.

INDUSTRY STRUCTURE AND DEVELOPMENT

The global bearing market size is estimated to touch USD 186.1 billion by 2025, registering a CAGR of 9.1% during 2014-2025 (Source: Grand View Research, Inc., Report). The comprehensive usage of bearing and its subsequent use in all equipment makes it a significant element of the manufacturing eco system. It can be segregated into ball and roller bearing assemblies of various designs. The bearings' demand is mainly derived from two main user segments: automotive and industrial sectors. Primary sources i.e. Original Equipment Manufacturers (OEMs) constitute a larger share of the market demand. The secondary sources i.e. After-market make up for the rest. The automotive sector constitutes a larger market demand share. But even then, the industrial bearings market is far more widespread with a higher number of applications. The usage of bearings is fairly diversified in the automotive sector.

The Company is well-positioned to leverage opportunities. Firmly driven by its strategic focus on digitalization, world-class manufacturing, future workforce and developing cleantech, VISHAL is equipped to face the future with its strong resolute. This enables the Company to offer a comprehensive product portfolio to its customers, emphasizing high-quality standards and service aids, delivering value and sustainable growth.

AUTOMOTIVE SECTOR

The Indian automotive bearing market in 2019, was valued at INR 70 billion, and is estimated to reach INR 156.8 billion by 2024, registering a CAGR of ~18%, between 2020 and 2024 (Source: Business wire). The automobile sector was hithard in fiscal 2020. Sales declined across vehicle segments, owing to lower discretionary incomes and a general economic slowdown, followed by plant shut-downs due to the Covid-19 crisis. However, the Government's Make in India initiative is pushing the automotive component manufacturers. It is encouraging higher capital allocations towards developing additional manufacturing capabilities or by launching new products or consolidating through mergers and acquisitions. Besides, expanding middle-class population and increasing disposable income, and for logistical requirements owing to an infrastructural push, is expected to spruce up the demand across all the segments. There by positively influencing the automotive bearings market.

CORE VALUES

VISHAL has formed core values for the organization. We believe workplace values are the guiding principles to you about the way you work every employee of your company will be bringing into practice use these deeply held principles to choose between right and wrong ways of working, and also to take important decisions at work.

- Flexibility and Adaptability – We keep no boundaries, to meet our consumer needs.
- MD at Work / Task – Every employee is the owner of their task.

- No compromise on Quality – We deliver with zero defects.
- Loyalty & Transparency between all stakeholders – We commit loyalty.
- Customer First in all actions – We work on unmet needs of our customer.
- Fun at Work – We believe happy employees are the best employees.
- Grow with profits – We aim on achieving consistent profitable growth.
- Keep it Simple – Simplicity is what we believe in.
- **OFFERING A HARASSMENT-FREE WORKPLACE TO ALL**
  Your Company aims to have a discrimination-free workplace. Guidance on a harassment-free workplace is adopted in Company`s Code of Conduct and the Company's Human Resource, Sexual Harassment and Affirmative Action Policies.
- **SAFETY GOVERNANCE STRUCTURE**
  The Management is responsible for training and supervising employees on safe procedures and health care, providing information on safety hazards and providing safety appliances.

  Your Company has organized Safety Week at our Shapar plant & Head Office, wherein we provided fire safety training to our employees.
- **EQUAL OPPORTUNITY TO ALL**
  VISHAL recognizes and values the differences in employee backgrounds and skills' and promotes equal access to employment and supply opportunities without discrimination. Any alleged violation of the equal opportunity policies is investigated and, if found valid, acted upon.

SEGMENTWISE PERFORMANCE

Your Company has a single reportable segment of Industrial Bearings as the primary business segment for the purposes of Accounting Standards-17. The assets and liabilities of the Company are all expended towards this business segment.

RISKS AND CONCERN:

The economic and business environment is fast evolving, and with the rapid transformation of technology and the impact of cultural changes, society and consumers are also transforming on multiple dimensions. Your Company is operating in an industry that faces price volatility in raw materials and is dependent on commodities that need to meet stringent quality standards.

OPPORTUNITIES

India is considered a lucrative destination because of its market size and a hub for exports, explaining Foreign Direct Investments (FDI) healthy growth recorded in the last five to six years. FDI elevated from USD 190 billion between financial years 2009-10 and 2013-14 to USD 284 billion during financial years 2013-14 and 2018-19 (Source: Union Budget 2020). Also, the Government's constant focus on the Make in India initiative, economic stimulus and policy support towards infrastructure, Power and Oil & Gas, Airports, Roads and Ports will present a plethora of opportunities for the key industries powering the economy.

The customers are offered a comprehensive and innovative product range in all the segments. The Company provides superior service and works endlessly as per their requirements. A strong

foundation and global parentage with a well-defined strategic direction, and the value of resilience embedded in the organizational culture augur well for the Company in the long run.

COMPLIANCE

The Company has a well-structured, documented, and demonstrable compliance framework. This helps the management monitor and report compliance risk and exposure. The Board periodically reviews compliance reports of all laws applicable to the Company. It also assesses steps taken by the Company to rectify instances of non-compliances. The Company has further invested in a system to monitor and ensure compliance with all the applicable laws.

Various cross-functional teams work together to ensure strict compliance. It enables the Company to keep up with the rapid pace of regulatory changes. The Company pro-actively analyzes the impact of imminent changes well in advance.

ENVIRONMENT, HEALTH AND SAFETY

Health and Safety of the employees is considered at priority and are maintain at the benchmarks set for standard Industrial practices.

Your Company provides trainings to employees on the Safety measures and has Zero tolerance towards negligence provoking hazards accidents. There are regular programmes conducted to literate employees at shop floor level and to have complete control on the systems.

There are mock fire drills conducted at head office and shop floor level so that employees are equipped to handle any kind of accidental situations. Proper safety management and Industrial hygiene processes are set, so that employees have safe work environment.

HUMAN RESOURCE AND INDUSTRIAL RELATIONS

Since its inception, your Company has always viewed its employees as its greatest asset. Your Company endeavors to be an 'Employer of Choice' by fostering an environment of inspirational goal setting, continuous improvement, in addition to health and safety, and corporate responsibility.

We have conducted an internal employee satisfaction survey.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Company has in process vigilant process to monitor the internal control. The management has devised its Internal Control Systems to safeguard its assets, controlling costs, efficiency in operations, compliance of statutes, and effective management of working Capital. These systems are designed keeping in mind the Business plans and overall growth of the company and its stakeholders.

CAUTIONARY STATEMENT

Statements in this report on Management Discussion and Analysis, describing the Company's objectives, projections, estimates, expectations, or predictions may be "forward looking statements" within the meaning of applicable laws and regulations. These statements are based on certain assumptions and expectations of future events. Actual results could differ materially from those expressed or implied since the Company's operations are influenced by many external and internal factors beyond its control. The Company assumes no responsibility to publicly amend, modify or revise any forward looking statements, based on any subsequent developments, information, or events. Readers are cautioned that the risks outlined here are not exhaustive. Readers are requested to exercise their judgment in assessing the risks associated with the Company.

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)

Your Directors are pleased to present your Company's Report on Corporate Governance for the Financial Year ended March 31, 2020.

THE COMPANY'S PHILOSOPHY ON CODE OF CORPORATE GOVERNANCE:

The Governance Philosophy of your Company is embedded with ethical values and professionalism since its existence. Corporate governance is creation and enhancing long term sustainable value for the stakeholders, through ethically driven business process.

The Company's Code of Business Conduct, Ethical View Reporting Policy and its well-structured internal control systems which are subjected to regular review for their effectiveness, reinforces accountability and integrity of reporting and ensures transparency and fairness in dealing with the Company's stakeholder.

The Company ensures that it evolves and follows the corporate governance guidelines and best practices and not defaulting in any trigger point. We consider it our inherent responsibility to disclose timely and accurate information regarding our financials and performance as well as the leadership and governance of the Company.

A Report on compliance with the principles of Corporate Governance as prescribed by The Securities and Exchange Board of India (SEBI) in Chapter IV read with Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations,2015 (hereinafter referred to as "SEBI Regulations").

1. BOARD OF DIRECTORS

(A) Composition and category of the Directors

The Company has an optimum combination of Executive and Non-Executive Directors. The Board is headed by Mr. Dilipkumar Changela as the Managing Director and consists of personalities with expertise and experience in diversified fields of specialization.

Category	Name of Directors	Designation	No. of Shares as on March 31, 2020
Promoter Directors	DILIPKUMAR G. CHANGELA	Managing Director	1,192,500
	VRAJLAL G. CHANGELA	Whole-time Director	1,179,000
	HIRALAL G. CHANGELA	Whole-time Director	1,199,250
Independent Director	NITESHKUMAR J. PATEL	Director	Nil
	RAKESH K. SAVANI	Director	Nil
	URJA GAMI*	Director	Nil
	AMEE K. DADHANIA**	Director	Nil
**Ceased to be a director of the Company upon her resignation w.e.f. October 09, 2019.*			
***Appointed as Director w.e.f. August 27, 2019.*			

(B) Meeting of Board of Directors during 2019-2020:

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	14.05.19	29.05.19	05.07.19	27.08.19	09.10.19	14.11.19
Venue	Shapar	Shapar	Shapar	Shapar	Shapar	Shapar

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.

(C) FAMILIARIZATION PROGRAM

As required by the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the provisions of the Companies Act, 2013, the Board has framed a Familiarization Program for the Independent Directors of the Company in order to update them with the nature of industry in which the Company operates and business model of the Company in order to familiarize them with their roles, rights, responsibilities, etc. The details of the abovementioned Familiarization Program is uploaded on the website of the Company.

Each newly appointed Independent Director is taken through a formal induction program including the presentation from the Managing Director and Chief financial officer of Company's Manufacturing, Marketing, Finance and other important aspects and structures of the Company and its functioning.

(D) PERFORMANCE EVALUATION

Regulation 17 of Listing Regulations read with Schedule IV and other applicable provisions of the Companies Act, 2013, mandates a formal evaluation to be done by the Board of its own performance and that of its Committees and individual Directors. Independent Directors shall also evaluate the performance of non-independent Directors and the Chairperson of the Board.

The Board carried out annual performance evaluation of the Board of Directors, its Committees and Individual Directors. The performance of the Board was shared with Board members and suggestions were evaluated in detail. Further the reports on performance evaluation of the Individual Directors were reviewed by the Chairman of the Board and based on the evaluation necessary changes in processes and policies were suggested for having an effective Board.

Further, the evaluation of the Independent Directors was carried out by the entire Board, excluding the director being evaluated. The Directors were satisfied with the evaluation results which reflect the overall engagement of the Board and its Committees.

(E) SEPARATE MEETING OF INDEPENDENT DIRECTORS:

Due to corona outbreak, your company is not able to hold a separate meeting of the independent Directors for the financial year 2019-20. The Main Object of the separate meeting is to review the performance of all Non-Independent Directors, the Board as a whole and the performance of the Chairperson of the Company taking into account the views of other executive and non executive directors. The Independent Directors also reviewed the quality, content and timeliness of the flow of information between the Management and the Board and its Committees towards effective and reasonable performance and discharge of their duties.

(F) 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.

2. AUDIT COMMITTEE

The Audit Committee acts as a link between the statutory auditors, internal auditors and the Board of Directors. Its purpose, amongst others, is to assist the Board in fulfilling its oversight responsibilities of monitoring financial reporting processes, reviewing the Company's established systems and processes for internal financial controls, governance and reviewing the Company's statutory, internal audit activities and related party transactions.

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. Amee Dadhania, Independent Director and Mr. Vrajlal Changela, Executive Director.

Ms. Urja Gami, Independent Director was resigned from the committee w.e.f. October 09, 2019 and Ms. Amee Dadhania was joined the committee w.e.f. October 09, 2019.

Meetings and Attendance

The Audit Committee met four times during the Financial Year 2019-20 and 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
Dates	29.05.2019	27.08.2019	09.10.2019	14.11.2019
Venue	Shapar	Shapar	Shapar	Shapar
Attended by	All the Members			

Terms of Reference

The terms of reference of the Committee are wide enough to cover the matters specified for Audit Committee under Part C of Schedule II with reference to Regulation 18 of the Listing Regulations as well as under Section 177 of the Companies Act, 2013. The terms of reference of the Committee are as follows:

- Oversight of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- Recommendation for appointment, remuneration and terms of appointment of auditors of the company;
- Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval;
- Reviewing, with the management, the quarterly financial statements before submission to the board for approval;

- Review and monitor the auditor's independence and performance, and effectiveness of audit process;
- Approval or any subsequent modification of transactions of the company with related parties;
- Evaluation of internal financial controls and risk management systems;
- Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
- Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
- Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;
- To review the functioning of Vigil mechanism / Whistle Blower mechanism, in case the same is existing;
- Carrying out any other function as may be assigned to it by the board of director from time to time.

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.

3. NOMINATION AND REMUNERATION COMMITTEE (NRC)

In compliance with Section 178 of the Act, the Board has constituted the Nomination and Remuneration Committee.

Composition, Meeting and Attendance

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. Amee Dadhania 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.

The Committee met 3 (three) times during the year on May 29, 2019, August 27, 2019 and November 14, 2019 and the attendance details are given below:

Sr. No.	Name of Directors	Position	Category	No. of Meetings Attended
1.	Mr. Rakesh Savani	Chairman	Independent Director	3 of 3

2.	Mrs. Amee Dadhania	Member	Independent Director	3 of 3
3.	Mr. Niteshkumar Patel	Member	Independent Director	3 of 3

Terms of Reference

The terms of reference of the NRC stated below are wide enough to cover the matters specified in Listing Regulations and Section 177 of the Act.

- Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the board of directors a policy relating to, the remuneration of the directors, key managerial personnel and other employees;
- Formulation of criteria for evaluation of performance of independent directors and the board of directors;
- Devising a policy on diversity of board of directors;
- Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the board of directors their appointment and removal.
- Whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors.
- Recommend to the Board the appointment of all Directors, Key Managerial Personnel and Senior Management Personnel of the Company.
- To carry out any other function as is mandated by the Board from time to time and / or enforced by any statutory notification, amendment or modification, as may be applicable.

POLICY FOR SELECTION OF NON-EXECUTIVE DIRECTORS/INDEPENDENT DIRECTORS AND THEIR REMUNERATION:

The Nomination and Remuneration (NRC) Committee has adopted a policy which, deals with the manner of selection of Board of Directors and Managing Directors and their remuneration. The selection of the Non-Executive Directors/Independent Directors is derived from the NRC Policy.

- The Non-Executive / Independent Director should not be disqualified under section 164 of Companies Act, 2013.
- He should posse's immense integrity with relevant experience in the field of law, finance and manufacturing sector.
- NRC Committee ensures that the Director about to be appointed be independent.
- Nature with respect to the affairs of the Company.

- The potential Director shouldn't himself / or through its relative should be associated with the Company through himself, relatives, body corporate, partnership firms or any association of individuals.

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 2019-20 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.

4. STAKEHOLDERS RELATIONSHIP COMMITTEE (SRC)

In compliance with the provisions of Section 178 of the Act and Listing Regulations, the Board has constituted the Stakeholders' Relationship Committee.

Composition, Meeting 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. Amee Dadhania, 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 August 27, 2019 during the financial year 2019-2020.

All the members were present at the said meeting.

Terms of Reference

The terms of reference of the Committee are:

- To consider and resolve the grievance of all the security holders related to transfer/ transmission of shares, no receipts of annual reports and non-receipts of declared dividends, issue of new duplicate certificates, general meetings etc.;

- To review the measures taken for effective exercise of voting rights by shareholders.
- To review the adherence to service standards adopted by the company in respect of various services being rendered by the Share Transfer Agent.
- To review various measures and initiatives undertaken 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 review and act upon such other grievances as the Board of Directors delegate to the Committee from time to time.

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

No complaints received and resolved during the year ended March 31, 2020. There were no complaints outstanding as on March 31, 2020. The number of pending share transfers and pending requests for dematerialization as on March 31, 2020 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, 2020.

Complaints pending as on April 1, 2019	0
Complaints received during the year	0
Complaints resolved during the year	0
Complaints pending as on March 31, 2020	0

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

5. CORPORATE SOCIAL RESPONSIBLY (CSR) COMMITTEE:

In compliance with the provisions of Section 135 of the Act and Listing Regulations, the Board has constituted the Stakeholders' Relationship Committee.

Composition, Meeting and Attendance

Pursuant to provisions of Section 135 of the Companies Act, 2013 read with Listing Regulations, Committee of Directors (Corporate Social Responsibility Committee) of the Board has been constituted. This Committee comprises of Three Directors. Mr. Niteshkumar Patel, Independent Director is the Chairman of this Committee. The other members of the Corporate Social Responsibility Committee include Mr. Dilipkumar Changela, Managing Director and Mr. Hiralal Changela, Whole Time Director. Your Company has not implemented any CSR activities during the year.

Terms of Reference

The terms of reference of the Committee are:

The powers, role and terms of reference of Corporate Social Responsibility Committee covers the areas as contemplated under Section 135 of the Act. The brief terms of the reference of Corporate Social Responsibility Committee are as under:

1. To formulate and recommend to the Board, a Corporate Social Responsibility Policy which will indicate the activities to be undertaken by the company in accordance with Schedule VII of the Companies Act, 2013;

2. To review and recommend the amount of expenditure to be incurred on the activities to be undertaken by the company;

3. To monitor the CSR policy of the company from time to time;

4. Any other matter as the CSR Committee may deem appropriate after approval of the Board of Directors or as may be directed by the Board of Directors from time to time pursuant to the provisions of Section 135 of the Companies Act and rules in relation thereto, as amended from time to time.

6. AFFIRMATIONS AND DISCLOSURES:

Compliances with Governance Framework

The Company is following 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, penalties, strictures imposed by the Stock Exchanges or Securities and Exchange Board of India

There were no instances of non-compliance by the Company, nor have any penalties or strictures been imposed by the Securities and Exchange Board of India or any other statutory authority during the last three years on any matter related to the capital markets.

Vigil Mechanism / Whistle Blower Policy

The Company has adopted a Vigil Mechanism/ Whistle Blower Policy for Directors and employees to report genuine concerns about unethical behavior, actual or suspected fraud or violation of the Company's Code of Conduct and to provide for adequate safeguards against victimization of persons who may use such mechanism. The said policy is hosted on the website of the Company. The mechanism provides for addressing the complaints to Audit Committee and direct access to the Chairperson of the Audit Committee in

exceptional circumstances. Further no personnel have been denied access to the Chairman of 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, 2020 is given in the Directors' report.

Details of Compliance with mandatory requirements and adoption of the non - mandatory requirements
As per the Regulation 15 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the corporate governance provisions mentioned in regulations 17, 17A,18, 19, 20, 21, 22, 23, 24, 24A, 25, 26, 27 and clauses (b) to (i) of sub-regulation (2) of regulation 46 and para C, D and E of Schedule V para C of Schedule V are not applicable to the Company based on the paid up equity share capital and net worth criteria of the Company. However, the Company is complying with most of the Corporate Governance requirements on voluntary basis as a good secretarial practice and to create long term shareholder's value and enhances interest of other stakeholders. In addition to the above the Company has complied with the following on-mandatory requirements:

- Since the Financial Results are published in newspapers having wide circulation and simultaneously also uploaded on the website of the Company and Stock Exchanges, only the Annual Reports are sent to all the Stakeholders.

- The Statutory Auditor have expressed unmodified opinion of the Standalone Financial Statements.

Certificate on non-disqualification of Directors
As per the Regulation 15 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the corporate governance provisions mentioned in para C of Schedule V

which refers for requirement of Certificate on non-disqualification of Directors is annexed herewith.

Compliance with Corporate Governance aspect under Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

As per the Regulation 15 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the corporate governance provisions mentioned in regulations 17, 17A, 18, 19, 20, 21, 22, 23, 24, 24A, 25, 26, 27 and clauses (b) to (i) of sub-regulation (2) of regulation 46 and para C, D and E of Schedule V para C of Schedule V are not applicable to the Company based on the paid up equity share capital and net worth criteria of the Company. However, the Company has incorporated the Corporate Governance Report in its Annual Report as a good secretarial practice and to create long term shareholder's value and enhances interest of other stakeholders. Vishal Bearings Limited believes that good governance generates goodwill among business partners, customers and investors and earns respect from society at large.

7. GENERAL BODY MEETINGS

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

Particulars	Meetings		
	AGM	AGM	AGM
Date	28.09.2019	22.09.2018	29.09.2017
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 2019-2020	EGM 2018-2019	EGM 2017-2018
Date	-	23.02.2019	-
Venue	-	Registered office of the Company	-

8. ANNUAL GENERAL MEETING

DAY AND DATE	Saturday, December 26, 2020
TIME	4:00 P.M.
VENUE	Through Video Conferencing (VC) / Other Audio Visual Means (OAVM)

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 Paisa (0.50)
03	2018-2019	03.01.2019	50 Paisa (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.

Shareholding Pattern as on March 31, 2020

Category	Nos. of Shareholders	No. of Shares Held	Percentage
Promoter &Promoters Group	20	7,597,845	70.41
Public	151	3,193,155	29.59
Total	**171**	**10,791,000**	**100.00**

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

	BSE SME Equity Shares		Vishal Bearings Limited Equity Shares	
Month	High	Low	High	Low
April 2019	1760.08	1711.61	53.00	49.00
May 2019	1757.76	1679.76	50.00	38.40
June 2019	1774.10	1682.48	38.00	35.15
July 2019	1719.66	1585.64	32.75	26.20
August 2019	1623.88	1541.46	-	-
September 2019	1707.05	1580.10	-	-
October 2019	1771.53	1625.36	28.30	23.60
November 2019	1848.87	1718.28	32.00	25.00
December2019	1875.43	1697.35	31.00	30.00
January 2020	1773.63	1682.69	-	-
February 2020	1748.88	1543.68	32.00	32.00
March 2020	1580.66	1338.12	-	-

MEANS OF COMMUNICATION

The quarterly and annual results are generally uploaded with the BSE Limited. The Annual Report of the Company is also available on the website of the Company and website of BSE Limited.

No presentations were made to the institutional investors and to the analysts during the FY 2019-20.

SHARE TRANSFER SYSTEM

100% of the equity shares of the Company are in electronic form. Transfers of these shares are done through depositories with no involvement of the Company.

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.

ADDRESS FOR CORRESPONDENCE

Registrar of Share Transfer Agent (RTA)	Correspondence with Company
KFin Technologies Private Limited Karvy Selenium Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad – 500 032 Tel: +91 040 6716 1527 Fax: + 91 (40) 2343 1551 Email: jayalaxmi.gajula@Kfintech.com	**VISHAL BEARINGS LIMITED** 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

Declaration regarding Compliance by Board Members and Senior Management Personnel with the Companies Code of Conduct

I, Dilipkumar Changela, Managing Director of Vishal Bearings Limited, hereby declare that all the members of the Board of Directors and Senior Management Personnel have affirmed compliance with the Code of Conduct of Board of Directors and Senior Management, for the year ended March 31, 2020.

Dilipkumar Changela
Managing Director
DIN: 00247302

MD & 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, 2020 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.

Date: 25.11.2020
Place: Shapar, Rajkot

Dilipkumar Changela
Managing Director

Vishal Changela
CFO

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

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

We have examined the relevant registers, records, forms; returns and disclosures received from the Directors of VISHAL BEARINGS LIMITED having CIN L29130GJ1991PLC016005 and having registered office at Survey No. 22/1, Plot No. 1, Shapar Main Road, Shapar (Veraval), Rajkot – 360 002, Gujarat, (hereinafter referred to as 'the Company'), produced before me by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to us by the Company & its officers, we hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March, 2020 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

Sr. No.	Name of Director	DIN	Date of Appointment in Company
1	HIRALAL GORDHANDAS CHANGELA	00247292	24/07/1991
2	VRAJLAL GORDHANDAS CHANGELA	00247295	16/10/1991
3	DILIPKUMAR GORDHANDAS CHANGELA	00247302	24/07/1991
4	NITESHKUMAR JAMNADAS PATEL	01854443	28/05/2015
5	RAKESH KANJIBHAI SAVANI	07191075	28/05/2015
6	AMEE KETANKUMAR DADHANIA	08546107	27/08/2019

Ensuring the eligibility for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For K. P. GHELANI & ASSOCIATES
Company Secretaries

Date: November 25, 2020
Place: Rajkot

CS Keyur Ghelani
Proprietor
Mem No. ACS 33400
CoP: 12468
UDIN: A033400B001337549

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF '**VISHAL BEARINGS LIMITED**'

Report on Audited Financial Statements

Opinion

We have audited the accompanying financial statements of VISHAL BEARINGS LIMITED ('the Company"), which comprise the Balance Sheet as at 31st March, 2020 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;

A) In the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2020;
B) In the case of the Statement of Profit and Loss, of the loss of the Company for the year ended on that date; and
C) In the case of the Cash Flow Statement, of the cash flows of the Company for the year ended on that date.

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 thereunder, 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 Annexures 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 31st March, 2020, and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2020 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:

   i. There were no pending litigations which would impact the financial position of the Company.

   ii. 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.

   iii. 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: 30.07.2020

Sd/-
Shilpang V. Karia
Partner
M. No. – 102114
UDIN: 20102114AAAADS9525

ANNEXURE – A TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of VISHAL BEARINGS LIMITED of even date)

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 31st March 2020 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 judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the 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 31st March 2020 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: 30.07.2020

Shilpang V. Karia
Partner
M. No. – 102114
UDIN: 20102114AAAADS9525

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)

i. FIXED ASSETS:

a) In our opinion, the company has generally maintained proper records showing full particulars including quantitative details and situation of fixed assets on the basis of available information.

b) As explained to us, the 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.

c) 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.

ii. **INVENTORIES:**

a) According to the information and explanation given to us, the inventories have been physically verified during the year by the management and in our opinion, the frequency of verification is reasonable.

b) 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.

c) As explained to us by the management of the company, year-end physical verification of the inventory immediately after 31st March, 2020 was not undertaken due to COVID-19 lockdown situation, however it was undertaken for position as of 31st March, 2020, as soon as business operations were resumed.

iii. 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.

iv. LOANS, INVESTMENTS & GUARANTEES:

According to the information and explanations given to us and on the basis of our examination of the books of account, the company has not granted any loans directly or indirectly to any directors or person or entities in which directors are interested and/or

has not given any guarantee or provided any security in connection with loan taken by them;

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

v. 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.

vi. COST RECORDS:

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

vii. STATUTORY DUES:

a) 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, 2020 for a period of more than 6 months from the date they become payable.

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

viii. 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.

ix. 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.

x. 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.

xi. 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.

xii. 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.

xiii. 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.

xiv. PREFERENTIAL ALLOMENT / 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.

xv. 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.

xvi. 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.

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

Place: Rajkot
Date: 30.07.2020

Shilpang V. Karia
Partner
M. No. – 102114
UDIN: 20102114AAAADS9525

BALANCE SHEET

Particulars	Note No.	As at 31-03-2020 Rupees	As at 31-03-2019 Rupees
I. EQUITY AND LIABILITIES:			
1. Shareholders' Funds			
(a) Share Capital	3	107,910,000	107,910,000
(b) Reserves and Surplus	4	72,596,326	72,491,415
Sub Total		**180,506,326**	**180,401,415**
2. Non-Current Liabilities			
(a) Long-term borrowings	5	242,867,769	211,008,520
(b) Deferred tax liabilities (Net)	6	6,134,106	5,827,127
Sub Total		**249,001,875**	**216,835,647**
3. Current Liabilities			
(a) Short-Term Borrowings	7	114,166,495	113,452,068
(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		30,360,813	32,628,041
(c) Other Current Liabilities	9	26,054,794	9,510,079
(d) Short-Term Provisions	10	2,884,590	34,230,738
Sub Total		**173,466,692**	**189,820,926**
Total		**602,974,893**	**587,057,987**
II. ASSETS:			
1. Non-Current Assets			
(a) Property, Plant & Equipment	11		
(i) Tangible assets		210,958,151	178,623,871
(ii) Capital work-in-progress		-	19,773,307
(b) Non-current investment	12	6,424,385	3,604,385
(c) Long term loans and advances	13	5,365,661	15,786,886
Sub Total		**2 22,748,197**	**217,788,449**
2. Current Assets			
(a) Inventories	14	241,366,930	232,036,793
(b) Trade Receivables	15	115,869,093	97,932,173
(c) Cash and Cash Equivalents	16	1,309,048	2,067,541
(d) Short-term Loans and Advances	17	21,329,906	36,937,876
(e) Other Current Assets	18	351,721	295,155
Sub Total		**380,226,696**	**369,269,538**
Total		**602,974,893**	**587,057,987**
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

Shilpang V. Karia
Partner
M. No. 102114

Date: 30.07.2020
Place: Shapar,Rajkot
UDIN: 20102114AAAADS9525

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

D. G. Changela	**H. G. Changela**	
Managing Director	Whole Time Director	
DIN: 00247302	DIN: 00247292	
V. V. Changela	**K. V. Savaliya**	
Chief Financial Officer	Company Secretary	

PROFIT AND LOSS ACCOUNT

	Particulars	Note No.	For the Year 31-03-2020 Rupees	For the Year 31-03-2019 Rupees
I.	**Revenue from Operation**	19	519,815,807	805,383,819
II.	**Other Income**	20	7,009,6448	4,832,239
III.	**Total Revenue (I + II)**		**526,825,455**	**810,216,058**
IV.	**Expenses:**			
	1. Cost of Materials and Stores Consumed	21	341,253,964	534,812,097
	2. Changes in Inventories of Finished Goods, Work-in-process and Stock-in trade	22	(22,594,263)	(53,865,585)
	3. Employee Benefits Expenses	23	78,469,670	86,499,726
	4. Financial Costs	24	29,778,776	33,648,536
	5. Depreciation and Amortization Exp.	11	36,467,618	32,188,788
	6. Other Expenses	25	63,806,790	87,616,019
	Total Expense		**527,182,554**	**720,899,581**
V.	**Profit BeforeTax (III - IV)**		**(357,100)**	**89,316,476**
VI.	Tax Expenses:			
	(1) Current tax - Pertaining to Current Year		5500	26,000,000
	(2) Current tax - Pertaining to Prior Year		(774,491)	(694,924)
	(3) Deferred Tax		306,980	30,572
	Total Tax Expenses		**(462,012)**	**25,335,648**
XI.	**Profit/(Loss) for the period (V-VI)**		**104,912**	**63,980,828**
XII.	Earning per equity share:			
	(Refer Note No. 26)			
	(1) Basic& Diluted (Adjusted for Bonus Issue)		**0.01**	5.93
	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: 30.07.2020
Place: Shapar,Rajkot
UDIN: 20102114AAAADS9525

V. V. Changela
Chief Financial Officer

K. V. Savaliya
Company Secretary

CASH FLOW STATEMENT

	Particulars	Year ended 31-03-2020		Year ended 31-03-2019	
A.	**CASH FLOW FROM OPERATING ACTIVITIES**				
	Net Profit before tax		(357,100)		89,316,476
	Adjustment for:				
	Depreciation and Amortization Exp	36,467,618		32,188,788	
	Interest& Dividend Received	(430,965)		(606,135)	
	Financial Cost	29,778,776		33,648,536	
	Operating profit before working capital changes		**65,458,329**		**154,547,665**
	Adjustment for:				
	Increase / (Decrease) in Inventory	(9,330,137)		(118,025,900)	
	Increase / (Decrease) in Trade Receivables	(17,936,919)		585,403	
	Increase / (Decrease) in Short Term Loans & Advances	(3,889,537)		(2,287,169)	
	(Increase) / Decrease in Other Current Assets	(56,565)		10,008	
	(Increase) / Decrease in Trade Payable	(2,267,228)		(14,362,225)	
	(Increase) / Decrease in Other Current Liabilities	16,544,715		(786,299)	
	(Increase) / Decrease in Short Term Provisions	(5,351,648)		221,848	
	Cash Generated from Operation		**43,171,010**		**19,903,332**
	Taxes Paid		(5,728,002)		(27,299,996)
	Net Cash Flow from Operating Activities		**37,443,008**		**(7,396,663)**
B.	**CASH FLOW FROM INVESTING ACTIVITIES**				
	Increase/Decrease in Property, Plant &Equipment (Net)	(49,028,591)		(51,870,042)	
	Interest and Dividend Received	430,965		606,135	
	Increase/Decrease in Non-Current Investments	(2,820,000)		(1,320,000)	
	(Increase/Decrease in Log-Term Loans & Advances	10,421,225		6,347,407	
	Net Cash Flow from/(used) in Investing Activities		**(40,996,402)**		**(46,236,500)**

C. CASH FLOW FROM FINANCING ACTIVITIES				
Increase/Decrease in Long Term Borrowings	31,859,249		20,990,144	
Increase/Decrease in Short Term Borrowings	714,427		68,464,190	
Financial Cost	(29,778,776)		(33,648,536)	
Dividend & DDT	-		(3,613,645)	
Net Cash Flow from/(used) in Financing Activities		**2,794,901**		**52,192,154**
Net Increase/(decrease) in Cash & Cash Equivalents(A+B+C)		**(758,493)**		**(1,441,010)**
Opening Balance of Cash & Cash Equivalents		2,067,541		3,508,551
Closing Balance Cash & Cash Equivalents		**1,309,048**		**2,067,541**

COMPONENTS OF CASH & CASH EQUIVALENTS	**Year ended 31-03-2020**		**Year ended 31-03-2019**	
- Cash on Hand	725,278		1,234,432	
- Balances with Banks	73,769		142,553	
- Earmarked balances with banks	510,000	**1,309,048**	690,555	**2,067,541**

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
ForSVK & 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: 30.07.2020
Place: Shapar,Rajkot
UDIN: 20102114AAAADS9525

V. V. Changela
Chief Financial Officer

K. V. Savaliya
Company Secretary

NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR 2019-2020

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.

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.

Dividend:
Dividend Income is recognized when the Company's right to receive the amount has been established.

Insurance Claim:
Proceeds on maturity of life insurance policy of key managerial personnel have been recognized as income on accrual basis.

(iv) Property, Plant &Equipments:
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 property, plant &equipments are capitalized.

(v) Depreciation / Amortization
The company has charged depreciation on Property, Plant & Equipments 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. 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 encased 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 Property, Plant & Equipments from foreign countries are adjusted in the carrying cost of Property, Plant & Equipments 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 capitalized 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 ontax 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 Property, Plant & Equipments 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

Shilpang V. Karia
Partner
M. No. 102114

Date: 30.07.2020
Place: Shapar, Rajkot
UDIN: 20102114AAAADS9525

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

D. G. Changela	**H. G. Changela**
Managing Director	**Whole Time Director**
DIN: 00247302	**DIN: 00247292**
V. V. Changela	**K. V. Savaliya**
Chief Financial Officer	**Company Secretary**

	PARTICULARS	As at 31-03-2020 Rupees	As at 31-03-2019 Rupees
3	**SHARE CAPITAL** *(Refer Note No. 1)*		
(i)	**Authorized:** 12,000,000 Equity Shares of Rs. 10/- Each (Previous year 10,000,000 Equity Shares of Rs. 10/- each)	12,00,00,000	12,00,00,000
	Issued, Subscribed & Fully Paid: - 10,791,000 Equity Shares of Rs. 10/- Each fully paid	10,79,10,000	10,79,10,000
	- Subscribed but not fully paid	-	

(ii) Reconciliation of number of Equity Shares:

Equity Shares:				
Shares outstanding at the beginning of the year	10,791,000	107,910,000	5,995,000	59,950,000
Shares issued during the period	-	-	4,796,000	47,960,000
Shares bought back during the year	-	-	-	-
Shares outstanding at the end of the year	**1,07,91,000**	**10,79,10,000**	**1,07,91,000**	**10,79,10,000**

(iii) Terms/rights attached to equity shares

The Company has only one class of equity shares having a par value of Rs. 10 each. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to approval of the shareholders in the ensuing Annual General Meeting.

In the event of liquidation of the Company, the holder of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

		As at 31.03.2020		As at 31.03.2019	
(v)	Shareholders holding more than 5% Shares: Names of Shareholders:	No. of Shares held	% of holding	No. of Shares held	% of holding
	Hiralal G. Changela	1,199,250	11.11%	1,199,250	11.11%
	Vrajlal G. Changela	1,179,000	10.93%	1,179,000	10.93%
	Dilipkumar G. Changela	1,192,500	11.05%	1,192,500	11.05%

(vi) Shares issued other than cash, bonus issue and shares bought back

Equity Shares:	2019-2020	2018-2019	2017-18	2016-17
Fully paid up pursuant to contract(s) without payment being received in cash	Nil	Nil	Nil	Nil
Fully paid up by way of bonus shares	Nil	4,796,000	Nil	1,199,000
Shares bought back	Nil	Nil	Nil	Nil

Preference Shares:				
Fully paid up pursuant to contract(s) without payment being received in cash	Nil	Nil	Nil	Nil
Fully paid up by way of bonus shares	Nil	Nil	Nil	Nil
Shares bought back	Nil	Nil	Nil	Nil

Unpaid Calls	2019-2020	2018-2019
By Director	Nil	Nil
By Others	Nil	Nil

Note 1:
During the year FY 18-19, the Company issued 47,96,000 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.

Particulars		As at 31-03-2020 Rupees	As at 31-03-2019 Rupees
4 RESERVE AND SURPLUS			
(a) Security Premium Reserve			
(Refer Note No. 1)			
Opening Balance		-	7,450,000
Less: Bonus Shares Issued During the Year		-	7,450,000
Closing Balance	**(a)**	**-**	**-**
(b) Other Reserves			
- Capital Reserve - Cash Subsidy		1,429,623	1,429,623
- General Reserve		5,455,173	5,455,173
Closing Balance	**(b)**	**6,884,796**	**6,884,796**
(c) Balance in Statement of Profit and Loss Account			
- Opening Balance		65,606,619	45,749,435
- Less: Interim Dividend		-	(2,997,500)
- Less: Tax on Interim Dividend		-	(616,145)
- Less: Utilized for Bonus shares issued		-	(40,510,000)
- Add: Profit for the year		104,912	63,980,828

Closing Balance	**(c)**	**65,711,530**	**65,606,619**
	Total (a+b+c)	**72,596,326**	**72,491,415**

5 LONG TERM BORROWINGS

(a) Term Loans:			
Secured Loan:			
- From banks		30,055,102	7,630,672
- From Financial Institutions		-	1,291,107
	(a)	**30,055,102**	**8,921,779**
(b) Loans and Advances from Related Parties:			
Unsecured:			
- From Directors		78,034,690	71,493,189
- From Relatives		118,137,783	113,540,070
- From Others		16,640,194	17,053,482
	(b)	**212,812,667**	**202,086,741**
	Total (a+b)	**242,867,769**	**211,008,520**

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. Rate of interest of Term Loans @ 9.80% p.a. subject to change from time to time and are repayable within 2 to 4 Years from the balance sheet date.

Vehicle Loans from Financial Institutions

Amt. O/s. Rs. 12,91,107/- Secured against hypothecation of vehicles financed. Rate of interest of Vehicle Loans @ 8.00%p.a. to 9.00% p.a. and are repayable within 1 year from the balance sheet date.

Unsecured loans from related parties and others:

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 31-03-2020	Deferred Tax Liability/ (Asset) as at 31-03-2019
	Deferred Tax liabilities			
	Related to Property, Plant & Equipment		6,652,123	5,827,127
		(A)	**6,652,123**	**5,827,127**
	Deferred Tax Assets			
	Related to Carry Forward Losses		518,016	-
		(B)	**518,016**	**-**
		TOTAL (A+B)	**6,134,106**	**5,827,127**

7	SHORT TERM BORROWINGS			
	Secured:			
	Working Capital Facilities from Bank		114,166,495	113,452,068
		Total	**114,166,495**	**113,452,068**

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 9.85% p.a. subject to change from time to time.

8	TRADE PAYABLES			
	(Refer Note No. 40)			
	Micro & Small Enterprises		-	-
	Other than Micro & Small Enterprises		30,360,813	32,628,041
		Total	**30,360,813**	**32,628,041**

9	OTHER CURRENT LIABILITIES		
(a)	Current Maturities of Long-Term Debts	16,740,513	4,047,323
(b)	Interest Accrued but not Due on Borrowings	870,956	695,078
(c)	Statutory Liabilities	8,443,325	4,767,678
	Total	**1,02,96,377**	**1,02,96,377**

10	SHORT TERM PROVISIONS		
(a)	Provision for employee benefits *(Refer Note No. 36)*	1,534,524	3,568,740
(b)	Provision for current income-tax	5,500	26,000,000
(c)	Other provisions	1,344,566	4,661,998
	Total	**2,884,590**	**34,230,738**

Note-11 PROPERTY, PLANT &EQUIPMENTS:

Particulars	GROSS BLOK				DEPRECATION				NET BLOK	
	Balance 01.4.19	Addition	Disposal	Balance 31.3.20	Balance 01.4.19	For the Year	Disposal	Balance 31.3.20	Balance 31.3.20	Balance 31.3.19
	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)
I TANGIBLE ASSETS										
Lands	19.25	-	-	19.25	-	-	-	-	19.25	19.25
FactoryBuilding	471.27	232.89	-	704.17	189.82	36.43	-	226.26	477.91	281.45
Plant & Machineries				3099.50						
Machinery	2655.21	444.28	-		1318.10	290.58	-	1608.68	1490.82	1337.11
Furnace	15.65	0.55	-	15.70	12.41	0.62	-	13.04	0.266	0.323
Electric Attendance System	2.46	-	-	2.46	0.93	0.27	-	1.21	1.24	1.52
Electrification	35.93	-	-	35.93	27.03	1.65	-	28.69	7.24	8.89
Refrigerator	0.32	0.12	-	0.44	0.24	0.05	-	0.29	0.14	0.07
Mobile & Telephone	0.50	-	-	0.50	2.37	0.48	-	2.86	2.20	2.69
Air Conditioner	8.94	0.39	-	9.34	4.83	0.11	-	5.99	3.34	4.10
Water Filter	0.9477	-	-	0.9477	0.758	0.035	-	0.79	0.15	0.18
CCTV System	16.30	2.63	-	18.94	7.41	2.00	-	9.42	9.51	8.88
Weighing Scale	1.46	-	-	1.46	0.90	0.10	-	1.00	0.45	0.55
Furniture &Fixtures	22.06	0.099	-	22.16	10.62	2.95	-	13.58	8.57	11.43
Computers &Software	30.66	7.51	-	38.18	25.33	4.31	-	29.64	8.53	5.32
Vehicles										
Motor Cars	129.22	-	-	129.22	68.82	18.80	-	87.63	41.59	60.39
Motorcycles	1.41052	-	-	1.41052	1.31	0.0212	-	1.33	0.07618	0.09738
Office Equipment	0.52	+	-	0.52	0.15	0.16	-	0.32	0.20	0.36
Windmill Plant & Machinery	129.30	-	-	129.30	88.67	4.99	-	93.67	35.62	40.62
TOTAL - TANGIBLE ASSETS	**3546.04**	**688.01**	**-**	**4234.06**	**1759.80**	**364.67**	**-**	**2124.48**	**2109.58**	**1700.635**
II CAPITAL WORK IN PROGRESS										
New Construction on SIDC Road	186.79	15.07	20.18	-	-	-	-	-	-	18.679.308
Factory Building – New Construction	10.93	20.08	3.10	-	-	-	-	-	-	1,093,999
Total	**197.73**	**35.16**	**232.89**	**-**	**-**	**-**	**-**	**-**	**-**	**19,773,307**
GRAND TOTAL	**3743.77**	**723.18**	**232.89**	**4234.06**	**1759.80**	**364.67**	**-**	**2124.48**	**2109.58**	**1983.97**
GRAND TOTAL PREVIOUS YEAR	**3225.07**	**610.45**	**91.75**	**3743.77**	**1437.91**	**321.88**	**-**	**1759.80**	**1983.97**	**1787.15**

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. 3,23,371 (2,83,925)]	316,000	216,000
	Franklin India Equity & Focused Equity (G) [MV Rs. 8,99,880 (9,10,039)]	1,179,001	819,001
	ICICI Pru-Baln Advantage Fund Reg (G) [MV Rs. 11,99,874 (MV Rs. 10,58,149)]	885,066	585,066
	ICICI Prudential Infrastructure [MV Rs. 62,698 (MV Rs. 99,500)]	80,666	80,666
	IDFC Multi Cap Reg (G) [MV Rs. 2,06,256 (MV Rs.2,69,364)]	215,952	215,952
	DSP Blackrock Small and Midcap Fund [MV Rs.6,80,292(5,35,980)]	825,000	525,000
	ICICI Prudential Focused Blue-Chip Equity Fund[MV Rs.8,45,366 (6,36,883)]	1,060,000	600,000
	IDFC Core Equity Reg (G) [MV Rs.6,04,953 (5,42,265)]	825,000	525,000
	ICICI Prudential Credit Risk Fund – G [MV Rs.10,22,714(NA)]	1,000,000	-
	Total	**6,424,385**	**3,604,385**
13	**LONG TERM LOANS AND ADVANCES**		
	(Unsecured and considered good as certified by the management)		
	Security Deposits	5,365,661	5,365,661
	Capital Advances	-	10,421,225
	Total	**5,365,661**	**15,786,886**
14	**INVENTORIES**		
	(As taken, valued & certified by the management)		
	Raw Materials	139,996,238	153,260,364
	Work-in-process	100,086,000	78,654,525
	Others - Waste & Scrap	1,284,692	121,904
	Total	**241,366,930**	**232,036,793**
15	**TRADE RECEIVABLES**		
	(Unsecured and considered good as certified by the management)		
	(Refer Note No. 39)		
	Unsecured, considered good:		
	- Outstanding or a period exceeding six months from the date they are due for payment.	9,780,426	1,069,146
	- Outstanding or a period less than six	106,088,667	96,863,027

	months from the date they are due for payment.			
		Total	**115,869,093**	**98,517,576**
16	**CASH & CASH EQUIVALENTS AND BANK BALANCES OTHER THAN CASH & CASH EQUIVALENTS**			
	(i) Cash and Cash Equivalents:			
	Cash on hand		725,278	1,234,432
		(a)	**725,278**	**1,234,432**
	(ii) Bank Balances other than Cash and Cash Equivalents:			
	(a) Balance with banks		73,769	142,553
	(b) Earmarked balances with banks		510,000	690,555
		(b)	**583,770**	**833,108**
		Total (a+b)	**1,309,048**	**2,067,541**
17	**SHORT TERM LOANS & ADVANCES** *(Unsecured and considered good as certified by the management)*			
	(a) Balances with Revenue Authorities		8,854,668	29,728,712
	(b) Advance to Suppliers & Employees		12,248,284	7,097,369
	(c) Prepaid Expenses		226,954	111,795
		Total	**21,329,906**	**36,937,876**
18	**OTHER CURRENT ASSETS** *(Unsecured and considered good as certified by the mgt.)*			
	Income Receivable		351,721	2,95,155
		Total	**351,721**	**2,95,155**
19	**REVENUE FROM OPERATION**			
	(a) Sale of products (Bearing Rollers & Scrap)		518,593,338	802,820,221
	(b) Other Operating Revenues		1,222,469	2,563,598
		Total	**519,815,807**	**805,383,819**
20	**OTHER INCOME**			
	Dividend Income		3,760	4,701
	Interest Income		427,205	601,434
	Foreign Exchange Rate Fluctuation		2,048,098	3,144,931
	Transportation Income		-	1,060,000
	Duty Drawback on Export Sales		17,680	21,173
	Balances Written Back		176,664	-
	Insurance Claim		4,336,242	-
		Total	**7,009,648**	**4,832,239**

21	**COST OF RAW MATERIAL AND STORES CONSUMED**			
	Opening Stock:		153,260,364	89,100,049
	Add: Purchases		327,989,838	598,972,412
			481,250,202	**688,072,461**
	Less: Closing Stock		139,996,238	153,260,364
		Total	**341,253,964**	**534,812,097**
22	**CHANGE IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROCESS & STOCK-IN-TRADE:**			
	Opening Stock:			
	Semi-Finished Goods		78,654,525	24,315,200
	Scrap/Wastage		121,904	595,644
		(a)	**78,776,429**	**24,910,844**
	Less: Closing stock:			
	Semi-Finished Goods		100,086,000	78,654,525
	Scrap/Wastage		1,284,692	121,904
		(b)	**101,370,692**	**78,776,429**
		Total (a-b)	**(22,594,263)**	**(53,865,585)**
23	**EMPLOYEE BENEFITS EXPENSES**			
	(a) Salary, Wages and Bonus (including directors' remuneration)		74,072,698	79,580,737
	(b) Contribution to Provident Fund & Gratuity Fund		2,210,611	4,517,415
	(c) Staff Welfare Expenses		2,186,361	2,401,574
		Total	**78,469,670**	**86,499,726**
24	**FINANCIAL COSTS**			
	(a) Interest Expenses			
	Interest on Bank Cash Credit		11,324,002	4,939,749
	Interest on Bank Term Loan		3,263,553	1,180,444
	Interest on Unsecured Loans		12,464,755	22,503,095
	Interest on Bill Discount		2,096,251	1,373,957
	Interest on Buyers Credit		-	-
	Interest on Car Loan		199,194	425,013
		(a)	**29,347,755**	**30,422,257**
	(b) Other Finance Costs			
	Bank LC Issued Charges		60,477	1,06,439
	Loan Processing Fee		320,000	22,36,750
	Bank Commission & Charges		50,544	883,089
		(b)	**431,021**	**3,226,278**
		Total (a+b)	**29,778,776**	**33,648,536**
25	**OTHER EXPENSES**			
	(a) Manufacturing & Operating Costs			
	Consumption of Electric, Power and		29,369,532	37,657,699

	Fuel			
	Machinery Repairs & Maintenance		10,663,450	2,883,730
	Building Repairs & Maintenance		331,746	8,006
	Electric Repairs & Maintenance		1,675,448	2,221,989
	Job work Expenses		7,529,245	15,354,352
	Transportation & Labor Charges		6,054,954	10,904,422
	Other Manufacturing & Operating Exp.'		3,117,439	10,598,241
		(a)	**58,741,814**	**79,628,439**
(b)	**Sales & Distribution Expenses**			
	Advertisement & Sales Promotion Exp.'		77,123	17,256
		(b)	**77,123**	**17,256**
(c)	**General & Administrative Expenses**			
	Audit Fees		65,000	65,000
	Legal & Professional Expenses		649,553	1,874,791
	Insurance		507,239	695,637
	Rent		-	5,000
	Rates & Taxes		49,910	1,167,272
	Conveyance, Tour and Travelling Expenses		357,713	534,141
	General Administration Expenses		3,358,438	3,628,483
		(c)	**4,987,853**	**79,70,324**
		Total (a+b+c)	**63,806,790**	**87,616,019**

26	**Earnings per Share (EPS)**		
(a)	Profit after tax for calculation of Basic and Diluted EPS	104,912	63,980,828
(b)	Weighted average number of equity shares outstanding for calculating EPS (Adjusted for Bonus Issue)	10,791,000	10,791,000
(c)	Basic and Diluted EPS (Adjusted for Bonus Issue)	0.01	5.93

27	**Contingent Liabilities and Commitments** (to the extent not provided for)		
	(a) Letter of Credits issued by bank	-	2,58,82,396
	(b) Disputed Liability in Appeal:		
	(i) Income-tax	-	-
	(Contingent liabilities as disclosed above are as certified by the management of the company)		

28	**Value of imports calculated on CIF basis by the company during financial year in respectof**		
i.	Raw materials	103,687,318	351,574,229
ii.	Capital Goods	33,563,026	7,742,350

29	**Earnings & Expenditure in foreign currency**		
	(a) **Earnings**		
	Sale of Goods	1,445,789	667,133
	(b) **Expenditures**	-	-

30	**Imported and Indigenous Material Consumed**		
	(i) Total value of imported raw materials, spare parts and components consumed during the financial year	119,894,813	315,426,558
	(ii) Total value of all indigenous raw materials, spare parts and components similarly consumed	221,359,150	219,385,539
	(iii) Total value of imported and indigenous raw materials, spare consumed during the financial year	341,253,964	534,812,097
	(iv) Imported raw materials and spare parts consumed in %	35.13%	58.98%
	(v) Indigenous raw materials and spare parts consumed in %	64.87%	41.02%

31	**Payment to Auditors (Excluding Service tax)**		
	- Audit Fees	65,000	65,000

32	**Details of raw materials consumed: (In Rupees)**		
	Steel Coil, Consumable Stores & Packing Materials	341,253,964	53,48,12,097

33	**Details of Manufactured Goods: (In Rupees)**		
	Product	**Bearing Rollers & Scrap**	
	Opening Stock	121,904	595,644
	Closing Stock	1,284,692	121,904
	Sales (Excl. Taxes)	518,593,338	802,820,221

34 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.

35 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.

36 **Gratuity Benefits**

The Company has defined benefit gratuity plan. Every employee who has completed five years or more of services gets a gratuity on departure at 15 days salary (Last drawn salary) for each completed year of service.

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

Particulars	2019-2020	2018-2019
Opening defined benefit obligation	1,712,752	1,789,099
Add: Provision during the year	36,278	1,639,249
Less: Payment / Contribution during the year	1,639,249	1,715,596
Closing Defined benefit obligation	109,781	1,712,752

37 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.

38 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.

39 Related Party Disclosure

(i) List of Related Parties and Relationship

Name of Related party	Relationship
Key Management Personnel (KMP)	
Dilipkumar G. Changela	Managing Director
Vrajlal G. Changela	Whole Time Director
Hiralal G. Changela	Whole Time Director
Vishal V. Changela	Chief Financial Officer

Relatives of KMP

Bhumiben Dilipbhai Changela
Darshit Dilipbhai Changela
Divyeshkumar Hiralal Changela
Girishkumar G. Changela
Hansaben Gopaldas Dharsandia
Harsukhbhai Changela
Jayshreeben Hiralal Changela
Jyotiben V. Changela
Manjulaben Jayantilal Marvania
Nirju Hiralal 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
		2019-2020		
Dilipkumar G. Changela	1,602,814	-	2,600,833	-
Hiralal G. Changela	1,252,415	-	2,600,833	-
Vrajlal G. Changela	1,635,328	2,000,000	2,600,833	-
Vishal V. Changela	415,108	(464,000)	2,216,478	-
Rambhaben G. Changela	307,371	(10,500,000)	-	-
Darshit D. Changela	751,933	1,500,000	2,216,478	-
Darshit D. Changela	-	(1,000,000)	-	
Divyeshbhai H. Changela	498,242	-	2,216,478	-
Girishkumar G. Changela	917,138	-	-	-
Hansaben Gopaldas Dharsandia	258,271	-	-	-
Jayshreeben H. Changela	858,161	1,750,000	-	-
Jayshreeben H. Changela	-	(230,300)	-	-
Manjulaben Jayantilal Marvania	207,239	-	-	-
Jyotiben V. Changela	722,636	-	-	-
Vijaykumar V. Changela	343,859	(264,000)	2,216,478	-
Priya Vijay Changela	47,008	1,750,000	-	-
Punarva Vishal Changela	48,770	1,750,000	-	-
Rasilaben D. Changela	601,613	3,500,000	-	-
Rasilaben D. Changela	-	(260,580)	-	-
Rinkuben Divyeshbhai Changela	446,862	1,750,000	-	-
Rinkuben Divyeshbhai Changela	-	230,300	-	-
Yesha Darshit Changela	526,445	-	-	-
Virdeep Bearings Rollers LLP	-	-	-	48,50,313 (JE)
Virdeep Bearings Rollers LLP	-	-	-	1,10,32,4483(S&JI)
Vijay Petrolium	-	-	-	11,776 (E)

		2018-2019		
Dilipkumar G. Changela	2,822,150	-	2,000,000	-
Hiralal G. Changela	2,242,130	-	2,000,000	-
Vrajlal G. Changela	2,866,810	(500,000)	2,000,000	-
Vrajlal G. Changela	-	500,000	-	-
Vishal V. Changela	773,654	(664,000)	1,955,231	-
Vishal V. Changela	-	400,000	-	-

Rambhaben G. Changela	1,458,835	-	-	-
Darshit D. Changela	1,352,472	(300,000)	1,955,231	-
Divyeshbhai H. Changela	897,122	-	1,955,231	-
Girishkumar G. Changela	1,641,322	-	-	-
Hansaben Gopaldas Dharsandia	462,204	-	-	-
Jayshreeben H. Changela	1,362,845	(253,330)	-	-
Jayshreeben H. Changela	-	1,000,000	-	-
Manjulaben Jayantilal Marvania	370,879	-	-	-
Jyotiben V. Changela	1,293,239	-	-	-
Vijaykumar V. Changela	646,070	(464,000)	1,955,231	-
Rasilaben D. Changela	772,267	(521,160)	-	-
Rinkuben Divyeshbhai Changela	663,299	1,000,000	-	-
Rinkuben Divyeshbhai Changela	-	(253,330)	-	-
Yesha Darshit Changela	868,529	4,000,000	-	-
Virdeep Bearings Rollers LLP	-	-	-	90,91,242 (JE)
Virdeep Bearings Rollers LLP	-	-	-	1,52,55,515 (S)
Vijay Petrolium	-	-	-	30,910 (E)

Particulars		**31-03-2020**	**31-03-2019**
Dues from company under the same management / entities where KMP and relatives of KMP have significant influence:			
Virdeep Bearing Rollers LLP	Trade	11,024,854	-
Virdeep Engineering PVt Ltd	Receivables	648,910	648,910
Virdeep Bearing Rollers LLP	Advances to	1,327,783	5,595,886
Virdeep Engineering PVt Ltd	Creditors	416,553	416,553

40 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)

41 As explained to us by the management of company, the outbreak of corona virus (Covid-19) pandemic globally and in India is causing significant disturbance and slowdown of economic activity. The company is into the business of "Manufacturing and selling of Bearing Rollers and allied activities". The company has evaluated impact of this pandemic on its business operations. Based on the review and current indicators of future economic conditions, as on current date, the Company has concluded that the impact of Covid-19 is not material based on these estimates. Due to the nature of pandemic, the Company will continue to monitor developments to identify significant uncertainties in future periods, if any.

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
FORSVK& ASSOCIATES
Chartered Accountants
Firm Reg. No. 118564W

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

	D. G. Changela	**H.G. Changela**
	Managing Director	**Whole Time Director**
Shilpang V. Karia	**DIN: 00247302**	**DIN: 00247292**
Partner		
M. No. 102114		
Date: 30.07.2020	**V. V. Changela**	**K. V. Savaliya**
Place: Shapar, Rajkot	**Chief Financial Officer**	**Company Secretary**
UDIN: 20102114AAAADS9525		

Notice

Of 29th 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
Website: www.vishalbearings.com

NOTICE IS HEREBY GIVEN THAT THE 29TH ANNUAL GENERAL MEETING ("AGM") OF THE MEMBERS OF VISHAL BEARINGS LIMITED WILL BE HELD ON SATURDAY, DECEMBER 26, 2020 AT 4:00 P.M. THROUGH VIDEO CONFERENCING (VC) OR OTHER AUDIO VISUAL MEANS (OAVM) 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, 2020 together with the Reports of the Directors and the Independent Auditors thereon.

2. To appoint a director in place of Mr. Hiralal Changela, Director (DIN 00247292) who retires by rotation and being eligible offers himself for reappointment.

3. RE-APPOINTMENT OF STATUTORY AUDITORS OF THE COMPANY

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

"RESOLVED THAT, pursuant to provisions of Section 139 and 142 of the Companies Act, 2013 and the Rules made there under M/s. SVK & Associates, Chartered Accountants (Firm Registration No.: 118564W) be and are hereby re-appointed as Statutory Auditors of the Company to hold the office for second term from the conclusion of the 29th Annual General Meeting till conclusion of 34th Annual General Meeting of the Company on such remuneration as mutually agreed between Board of Directors and auditor of the company.**"**

SPECIAL BUSINESS:

4. APPOINTMENT OF MR. KISHAN RAJESHKUMAR SUREJA AS AN INDEPENDENT DIRECTOR:

To consider, the appointment of Independent Director, and if thought fit, pass with or without modification, the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Sections 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 ("the Act") read with Schedule IV to the Act (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) and the Companies (Appointment and Qualification of Directors) Rules, 2014, as amended from time to time, and pursuant to the recommendation of
the Nomination & Remuneration Committee and the Board of Directors, Mr. Kishan Sureja, who has submitted a declaration that he meets the criteria for independence as provided

under Section 149(6) of the Act and Regulation 16(1) (b) of the Securities Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015 and who is eligible for appointment, and in respect of whom the Company has received a notice in writing from a Member under Section 160(1) of the Act signifying his intention to propose Mr. Kishan Sureja's candidature for the office of Director, approval of the members of the Company be and is hereby accorded for appointment as an Independent Director of the Company, not liable to retire by rotation, for a term of five consecutive years commencing from December 01, 2020 upto November 30, 2025.

RESOLVED FURTHER THAT Mr. Dilipkumar Changela (DIN: 00247302), Managing Director or Mr. Hiralal Changela, Director or Mr. Vrajlal Changela, Director be and are hereby severally authorized to do all such acts, deeds and things as may be necessary to give effect to the foregoing resolution, including but not limited to filing the necessary forms with the Registrar of Companies.**"**

5. APPOINTMENT OF MR. NITESHKUMAR JAMNADAS PATEL (DIN: 01854443) AS AN INDEPENDENT DIRECTOR FOR A SECOND TERM OF FIVE YEARS:

To consider, the appointment of independent Director, and if thought fit, pass with or without modification, the following resolution as a Special Resolution:

"RESOLVED THAT pursuant to the provisions of Sections 149, 150, and other applicable provisions, if any, of the Companies Act, 2013("the Act") and the rules made thereunder read with Schedule IV to the Act and the Companies (Appointment and Qualifications of Directors) Rules, 2014 and the applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirement), 2015, including any statutory modification(s) or re-enactment thereof for the time being in force, approval of the members of the Company be and is hereby accorded to the re-appointment of Mr. Niteshkumar Jamnadas Patel (DIN: 01854443) as an Independent Director of the Company, not liable to retire by rotation, for her second term of five consecutive years w.e.f. May 28, 2020.

RESOLVED FURTHER THAT Mr. Dilipkumar Changela (DIN: 00247302), Managing Director or Mr. Hiralal Changela, Director or Mr. Vrajlal Changela, Director be and are hereby severally authorized to do all such acts, deeds and things as may be necessary to give effect to the foregoing resolution, including but not limited to filing the necessary forms with the Registrar of Companies.**"**

By Order of the Board
For Vishal Bearings Limited

Hiralal Changela
Chairman
DIN: 00247292

Place: Shapar, Rajkot
Date: 25.11.2020

Notes:

1. In view of the continuing Covid-19 pandemic, the Ministry of Corporate Affairs ("MCA") has vide its circular dated May 5, 2020 read with circulars dated April 8, 2020 and April 13, 2020

(collectively referred to as "MCA Circulars") permitted the holding of the Annual General Meeting ("AGM") through VC / OAVM, without the physical presence of the Members at a common venue. In compliance with the provisions of the Companies Act, 2013 ("Act"), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") and MCA Circulars, the AGM of the Company is being held through VC / OAVM. Hence, Members can attend and participate in the ensuing AGM through VC/OAVM.

2. PROXIES: The Annual general meeting for the FY 2019-20 will be held under VC/OAVM, where the physical attendances of members in such case has been dispensed with, there is no requirement of appointment of proxies. Accordingly, the facility of appointment of proxies by members will not be available for such meeting and hence the Proxy Form and Attendance Slip are not annexed to this Notice.

3. An Explanatory Statement pursuant to Section 102 (1) of the Companies Act, 2013, in respect of business to be transacted at the Annual General Meeting (AGM) is annexed thereto.

4. Corporate Members intending to send their authorized representatives to attend and vote at the meeting pursuant to section 113 of the Companies Act, 2013 are requested to send a certified copy of the board resolution authorizing their representatives to attend and vote on their behalf at the meeting.

5. BOOK CLOSURE:
The Register of Members and Share Transfer Books of the Company will remain closed from Sunday, December 20, 2020 to Saturday, December 26, 2020 (both days inclusive).

6. The company has provided to the shareholders the facility of attending the meeting through video conferencing and e-voting pursuant to the important Circulars issued by the Ministry of Corporate Affairs ('MCA') clarifying the procedures/directives laid down to conduct Annual General meeting under Covid-19 circumstances for the FY 2019-20 :

Sr. No.	Circular No.
1	General Circular No. 14/2020 dated 8th April, 2020
2	General Circular No 17/2020 dated 13th April, 2020
3	General Circular No. 20/2020 dated 5th May, 2020

7. Annual Report physical copies: Pursuant to the General Circular No. 20/2020 dated 5th May, 2020, Para A (III) considering the current COVID-19 outbreak situation in the country and the difficulties involved in dispatching of Physical copies of Financial statements for the FY 2019-20 (including the Board Report, Auditors Report or other documents required to be attached therewith) such statement shall be sent only by email to the members and all other persons such entitled.

In compliance with the aforesaid MCA Circulars and SEBI Circular dated May 12, 2020, Notice of the AGM along with the Annual Report 2019-20 is being sent only through electronic mode to those Members whose email addresses are registered with the Company / Depositories. Members may note that the Notice and Annual Report 2019-20 will also be available on the websites of the Stock Exchanges i.e. BSE Limited.

8. Pursuant to Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended and Regulation 44 of Listing

Regulations, the Company is pleased to provide the facility to Members to exercise their right to vote on the resolutions proposed to be passed at AGM by electronic means. The Members, whose names appear in the Register of Members / list of Beneficial Owners as on Saturday, December 19, 2020.

9. Members willing to attend the Annual general meeting (AGM) are requested to email their details (Members who hold shares in dematerialized form are requested to email their Client ID and DP ID numbers for identification) for attending the Annual general meeting minimum 48 hours prior to the AGM. The Company shall make sure the necessary connectivity test prior to the AGM.

10. The details Pursuant to the Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with Secretarial Standards-2 regarding the appointment and re-appointment of Directors are annexed to this notice.

11. Members seeking any information regarding the accounts or any matter to be placed at the AGM are requested to write to the Company on or before December 20, 2020 through email on legal@vishalbearings.com. The same will be replied by the Company suitably.

12. The shareholders who are holding shares in Demat form and have not yet registered their e-mail IDs, are requested to register their e-mail IDs with their Depository Participant at the earliest, to enable the Company to use the same for serving documents to them electronically, hereinafter.

13. Since the AGM will be held through VC / OAVM, the Route Map is not annexed in this Notice.

14. The remote e-voting period will commence at 9.00 a.m. on Wednesday, December 23, 2020 and will end at 5.00 p.m. on Friday, December 25, 2020.

15. Members who are present in the meeting through VC/OAVM and have not casted their vote on resolutions through remote e-voting, shall be allowed to vote through e-voting system during the meeting.

16. The Members who have cast their vote by remote e-voting prior to the AGM may also attend/participate in the AGM through VC/OAVM but shall not be entitled to cast their vote again.

17. Members are requested to furnish bank details, email address, change of address etc. to KFin Technologies 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 December 18, 2020, 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.

18. The Company has appointed M/s. K. P. Ghelani & Associates, Company Secretaries, Rajkot, to act as the Scrutinizer, to scrutinize the entire e-voting process in a fair and transparent manner. The Members desiring to vote through remote e-voting are requested to refer to the detailed procedure given hereinafter.

19. The Scrutinizer shall, immediately after the conclusion of voting at the AGM, first count the votes cast during the AGM, thereafter unblock the votes cast through remote e-voting and

make, not later than 48 hours of conclusion of the AGM, a consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, to the Chairman or a person authorised by him in writing, who shall countersign the same.

20. As per Section 72 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 Form No: SH-13 (which will be made available on request) to the Company or Registrar and Share Transfer Agent.

21. Investor Grievance Redressal:
The Company has designated an exclusive email id viz. legal@vishalbearings.com to enable Investors to register their complaints, if any.

22. 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.

THE INSTRUCTIONS FOR MEMBERS FOR REMOTE E-VOTING ARE AS UNDER:-

How do I vote electronically using NSDL e-Voting system?

The way to vote electronically on NSDL e-Voting system consists of "Two Steps" which are mentioned below:

Step 1 : Log-in to NSDL e-Voting system at https://www.evoting.nsdl.com/
Step 2 : Cast your vote electronically on NSDL e-Voting system.

Details on Step 1 is mentioned below:

How to Log-into NSDL e-Voting website?

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile.
2. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholders' section.
3. A new screen will open. You will have to enter your User ID, your Password and a Verification Code as shown on the screen.

   Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at https://eservices.nsdl.com/ with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.
4. Your User ID details are given below :

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	**Your User ID is:**

a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12****** then your user ID is IN300***12******.
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example if your Beneficiary ID is 12********** then your user ID is 12**********
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the company For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***

5. Your password details are given below:

   a) If you are already registered for e-Voting, then you can user your existing password to login and cast your vote.

   b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.

   c) How to retrieve your 'initial password'?

      (i) If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.

      (ii) If your email ID is not registered, your 'initial password' is communicated to you on your postal address.

6. If you are unable to retrieve or have not received the " Initial password" or have forgotten your password:

   a) Click on "**Forgot User Details/Password**?"(If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.

   b) **Physical User Reset Password**?" (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.

c) If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.co.in mentioning your demat account number/folio number, your PAN, your name and your registered address.

7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.

8. Now, you will have to click on "Login" button.

9. After you click on the "Login" button, Home page of e-Voting will open.

Details on Step 2 is given below:

How to cast your vote electronically on NSDL e-Voting system?

1. After successful login at Step 1, you will be able to see the Home page of e-Voting. Click on e-Voting. Then, click on Active Voting Cycles.

2. After click on Active Voting Cycles, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle is in active status.

3. Select "EVEN" of company for which you wish to cast your vote.

4. Now you are ready for e-Voting as the Voting page opens.

5. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.

6. Upon confirmation, the message "Vote cast successfully" will be displayed.

7. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.

8. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

General Guidelines for shareholders

1 Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to cskeyurghelani@gmail.com with a copy marked to evoting@nsdl.co.in.

2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/Password?" or "Physical User Reset Password?" option available on www.evoting.nsdl.com to reset the password.

3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call on toll free no.: 1800-222-990 or send a request atevoting@nsdl.co.in

THE INSTRUCTIONS FOR MEMBERS FOR E-VOTING ON THE DAY OF THE AGM ARE AS UNDER:-

1. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for remote e-voting.

2. Only those Members/Shareholders, who will be present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system in the AGM.

3. Members who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.

4. The details of the person who may be contacted for any grievances connected with the facility for e-Voting on the day of the AGM shall be the same person mentioned for Remote e-voting.

INSTRUCTIONS FOR MEMBERS FOR ATTENDING THE AGM THROUGH VC/OAVM ARE AS UNDER:

Member will be provided with a facility to attend the AGM through VC/OAVM through the NSDL e-Voting system. Members may access the same at https://www.evoting.nsdl.com under shareholders/members login by using the remote e-voting credentials. The link for VC/OAVM will be available in shareholder/members login where the EVEN of Company will be displayed. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush. Further members can also use the OTP based login for logging into the e-Voting system of NSDL.

By Order of the Board
For Vishal Bearings Limited

Hiralal Changela
Chairman
DIN: 00247292

Place: Shapar, Rajkot
Date: 25.11.2020

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 3 to 5 of the accompanying Notice.

ITEM NO. 3

M/s. SVK & Associates, Chartered Accountants were appointed as the Statutory Auditors in the financial year 2015-16.

In accordance with the provisions of Section 139(1) of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 ('the Act'), M/s. SVK & Associates were appointed as the Statutory Auditors of the Company at the 25th Annual General Meeting ('AGM') held on 09th June, 2015 for a term of 5 years i.e. to hold office upto the AGM for the financial year 2019-20.

M/s. SVK & Associates would be completing 5 years as the Statutory Auditors of the sCompany at this AGM. In accordance with Section 139(2) of the Act and the transitional provisions provided under Rule 6 of the Companies (Audit and Auditors) Rules, 2014, M/s. SVK & Associates are eligible for re-appointment for a term of 5 (five) year.

None of the Directors, Key Managerial Personnel and relatives thereof has any concern or interest, financial or otherwise in the resolution at Item No. 3 of this Notice.

The Board recommends the Resolution set forth in Item No. 3 for the approval of the Members.

ITEM NO. 4

Mr. Kishan Rajeshbhai Sureja was appointed as an Additional Non Executive Independent Director w.e.f. December 01, 2020 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 Mr. Kishan Rajeshbhai Sureja 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 Mr. Kishan Rajeshbhai Sureja, he 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.

The profile and specific areas of expertise of Mr. Kishan are provided as annexure to this Notice.

None of the Directors and Key Managerial Personnel of the Company or their respective relatives, except Mr. Kishan, to whom the resolution relates, is concerned or interested in the Resolution mentioned at Item No. 4 of the Notice.

The Board recommends the Resolution set forth in Item No. 4 for the approval of the Members.

ITEM NO. 5

During his first term, MR. NITESHKUMAR JAMNADAS PATEL (DIN: 01854443) was been appointed as an Independent Director of the Company by the Shareholders of the Company for a period of five years with effect from May 28, 2015 up to May 27, 2020.

It is been informed that Mr. Niteshkumar has placed his interest to be re-appointed as Independent director. The Board of Directors at its meeting held on June 04, 2020, based on the recommendations of the Nomination and Remuneration Committee and pursuant to the performance evaluation of MR. NITESHKUMAR JAMNADAS PATEL (DIN: 01854443) as a Member of the Board and considering his wide and in depth knowledge in financial markets would be beneficial to the Company, hence proposed to re-appoint Mr. Niteshkumar as an Independent Director of the Company, who shall not be liable to retire by rotation, for a second term with effect from May 28, 2020 up to May 27, 2025. Further, the Company has, in terms of Section 160(1) of the Act, received a notice from a Member proposing the candidature of Mr. Niteshkumar for the office of Independent Director.

The Company has received from Mr. Niteshkumar written consent to act as Director, a declaration that he is not disqualified under Section 164(2) of the Act and declaration to effect that he meets the criteria of independence as provided in Section 149(6) of the Act.

In terms of Section 149, 152 and other applicable provisions of the Act, read with Schedule IV of the Act and the Rules made thereunder and in terms of the applicable provisions of the Listing Regulations, each as amended, the reappointment of Mr. Niteshkumar as an Independent Director of the Company for a second term commencing from May 28, 2020 up to May 27, 2025 is being placed before the Shareholders for their approval by way of a special resolution. Mr. Niteshkumar, once appointed, will not be liable to retire by rotation.

In the opinion of the Board, Mr. Niteshkumar is a person of integrity, fulfils the conditions specified in the Act and the Rules made thereunder read with the provisions of the Listing Regulations, each as amended and is independent of the Management of the Company. A copy of the draft letter of appointment of Mr. Niteshkumar as an Independent Director setting out the terms and conditions is available for without any fee payable by the Members at the Registered Office of the Company during the normal business hours on working days up to the date of the Annual General Meeting ('AGM') and will also be kept open at the venue of the AGM till the conclusion of the Meeting.

The profile and specific areas of expertise of Mr. Niteshkumar are provided as annexure to this Notice.

None of the Directors and Key Managerial Personnel of the Company or their respective relatives, except Mr. Niteshkumar, to whom the resolution relates, is concerned or interested in the Resolution mentioned at Item No. 5 of the Notice.

The Board recommends the Resolution set forth in Item No. 5 for the approval of the Members.

Details of the Directors seeking appointment and re-appointment at the 23RD Annual General Meeting of the company as per Regulation 36(3) SEBI (Listing Obligation and Disclosure Requirement) Regulation, 2015:

1) Mr. Hiralal G. Changela

Name of the Director	Mr. Hiralal G. Changela
DIN	00247292
Nature	Re-appointment as Whole-Time Director (Retire by Rotation)
Date of Birth	04/08/1949
Qualification	Bachelor of Commerce (B.Com)
Date of Appointment	11/05/2016
Expertise in Specific Functional Area	Experience of More than 42 Years in Business
Directorship held in other Public Limited Company	NA
No. of Shares Held (on 31.03.2020)	11,99,250
List of other Companies in which Directorship are held	VIJAY FASTNERS PRIVATE LIMITED
Chairmanship or membership on other companies	NA

2) Mr. Niteshkumar Jamnadas Patel

Name of the Director	**Mr. Niteshkumar Jamnadas Patel**
DIN	01854443
Nature	Appointment as an Independent Director for a Second Term of Five Years
Date of Birth	08/02/1972
Qualification	Bachelor of Science (B.Sc.)
Date of Appointment	28/05/2015
Expertise in Specific Functional Area	Experience of More than 20 Years in Technical Background
Directorship held in other Public Limited Company	NA
No. of Shares Held (on 31.03.2020)	00
List of other Companies in which Directorship are held	RIGHT-FIT FASTNERS PRIVATE LIMITED
Chairmanship or membership on other companies	NA

3) Mr. Kishan Rajeshbhai Sureja

Name of the Director	**Mr. Kishan Rajeshbhai Sureja**
Nature	Appointment as an Independent Director
Date of Birth	27/07/1992
Qualification	Bachelor of Business Administration (BBA) Post Graduate Diploma in Management (PGDM)
Date of Appointment	11/05/2016

Expertise in Specific Functional Area	Experience of More than 03 Years in Management Administration and Finance
Directorship held in other Public Limited Company	NA
No. of Shares Held (on 31.03.2020)	00
List of other Companies in which Directorship are held	NA
Chairmanship or membership on other companies	NA

Notes

VISHAL BEARINGS LIMITED

CIN: L29130GJ1991PLC016005

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