



City Municipality of Barajevo



"INDUSTRY OF BALL BEARINGS" Ltd. IN BANKRUPTCY

Bogoljuba Petkovića Street bb
11460 Barajevo
Serbia



OBJECTIVE OF THE BROCHURE AND THE ROLE OF THE CITY MUNICIPALITY OF BARAJEVO

The City Municipality of Barajevo is working hard on finding a buyer for the company "Industry of Ball Bearings" Ltd., in bankruptcy, which is situated in its territory.

Located just 25 km away from the City of Belgrade, the City Municipality of Barajevo possesses numerous possibilities for economic development. By choosing a suitable buyer, one of the objectives of the Municipality of Barajevo is to revitalize the manufacture of ball bearings or some similar production and thus realize the increase of the employment rate.

"The Industry of Ball Bearings" Belgrade was once the largest manufacturer of ball bearings in former Yugoslavia and one of the leading manufacturers in Europe (with the production and placement of 35 million of ball bearings per year). The Plant for ball bearings in Barajevo represented the most important and largest manufacturing sector within "The Industry of Ball Bearings" (IKL).



The manufacturing in Barajevo progressed in newly constructed building from 1985 to 2001. While employing 600 workers, IKL represented the driving force of the local community development.

Today, "Industry of Ball Bearings" Ltd., in bankruptcy represents a large unutilized potential of the town, which by adequate business solution (sale to the suitable buyer), could lead to general economic development, through the balance of three key factors, namely three pillars of sustainable development: sustainable economic growth, economic and technological development, sustainable development of the society based on the social balance, protection of the environment with rational exploitation of the natural resources, integrating them all in one whole supported by corresponding institutional framework.

The City Municipality of Barajevo assists the administrator in bankruptcy in the search for the buyer, while hoping that the buyer would start the production and thus create more jobs as possible for the large number of the unemployed persons from the territory of the municipality.

The City Municipality of Barajevo in this manner also realizes the promotion of the investment potentials of the municipality, while contributing to the development of the commercial environment with a goal of general economic development.

THE OBJECT OF SALE

"Industry of Ball Bearings" Ltd., in bankruptcy (IKL), 11460 Barajevo, Bogoljuba Petkovića Street bb is the debtor in bankruptcy whose property is being sold in the bankruptcy proceedings.

The objects of sale are:

a) immovable property

- Construction land covering the total area of 166 229 m² (16ha 62a 29m²)
- Buildings covering the total area of 24 000 m² and other facilities.

b) machinery and equipment

The construction land, buildings and other facilities will be sold together and following the conclusion of the sales contract they will become the property of the buyer. Machinery and equipment will be sold

will be sold as a separate set or together with the construction land and facilities.

In this stage of the proceedings the plant will be sold to the buyer by a direct contract by the administrator in bankruptcy, in order to settle the debts to the creditors in bankruptcy. The conditions of sale are very favorable and particularly the Government of the Republic of Serbia and the City of Belgrade offer excellent amenities in case the buyer invests significant financial resources and employs a greater number of the unemployed persons.

The construction land on which the plant was built is fully equipped both construction-wise and with utilities network. The land is fenced and comprises several cadaster parcels of land, the total area of which is 166 229 m² (16ha 62a 29m²). The land possesses the internal traffic routes (roads), separate transformer station, water supply from the municipal system, and a separate water tower having the capacity of 200 m³ and being 42 m high, a pump station, boiler plant, the waste water treatment system, the tanks for collection of waste industrial liquids and the storage for industrial waste.

The most important buildings and facilities:

- The main building covering the total area of 21 197 m² is reserved for manufacture of ball bearings and final assembly, and comprises offices on the 1st level. The building is designed as a hip roof (four-pitch roof) with frame structure made of steel supports, and comprises the annexes along the perimeter. The building comprises technical basement covering the total area of 2 669 m², the ground-floor (production hall) covering the total area of 16 752 m² and one floor (administrative offices) covering the total area of 1 775 m²;



Main building

Auxiliary facilities :

- Storage - 2 facilities;
- Boiler plant, transformer station, of gross area of 413m²;
- Coal deposit of gross area of 1.084m²;
- Infirmary and cloakroom of gross area of 585m²;
- Restaurant for the employees of gross area of 459m²;
- Guardhouse of gross area of 72m²;
- Shelter for 200 persons (for one entire shift of workers) covering the area of 217m²;



Boiler plant



Infernal traffic routes (roads)



Restaurant



Water tower



Guard house



Transformer station

- Warehouse for storage of inflammable liquids of gross area of 87m²;
- Water treatment system;
- Internal traffic routes (roads);
- Water tower and transformer station;
- Load-scale;
- Overhead transmission line;
- Waste waters basin of gross area of 36m²;
- Tank for emulsion.

PRODUCTION PROGRAM

- Single row ring ball bearings;
- Double row ring ball bearings;
- Special ball bearings;
- Self-adjustable ball bearings with square bore hole.

All the mentioned bearings are within the range of the outer diameter of 30-230 mm.

MAIN TECHNOLOGICAL UNITS

1. Production hall;

- Section of lathes
- Section for heat treatment
- Section for grinding treatment and bearings assembly
- Section for quality control
- Section for final control and packing
- Section of centralized system for machinery cooling and lubricating

Manufacturer: "Jeklo" Ruše, Slovenia.

2. Section for manufacturing of special bearings;

3. Tools room.

DESCRIPTION OF MACHINERY

1. Turning lathes, Germany, DDR Leipzig;

- Multi-spindle lathe Pittler , Germany;
- Structure DAM: DAM 8x32 - 8 pieces, DAM 6x50 - 10 pieces, DAM 6x80 - 10 pieces;
- Pittler 6x80 - 10 pieces.

2. 100% control of the rings subjected to turning;

3. Heat treatment with relaxation (2 lines);

4. Flat and central grinding;

- BRD 60
- SALS 200

5. Outer ring grinding;

- ALG -50

6. Inner ring grinding;

- SIV 3E
- SIV 3B

12 complete lines.

7. Super finishing treatment;

- LZ 261

8. Automatic control;

Manufacturer of the machine - IKL. The mentioned machines for automatic control, final control, as lines, were exported to the Chinese market.



Three-dimensional testing machine
Mitutoyo Japan



Machines for control, manufacturer: Institute "Mihailo Pupin"



Machine for testing circularity and roughness
HOBBSON & TAYLOR (England)

9. Final control, lubrication, sealing and engraving;

Line manufacturer - IKL.

- Machines for control, manufacturer: Institute "Mihailo Pupin"

10. Auxiliary services;

- Metallurgy laboratory
- Precise control

11. Compressor station with 2 compressors;

Manufacturer: "Fagram" Smederevo, Serbia

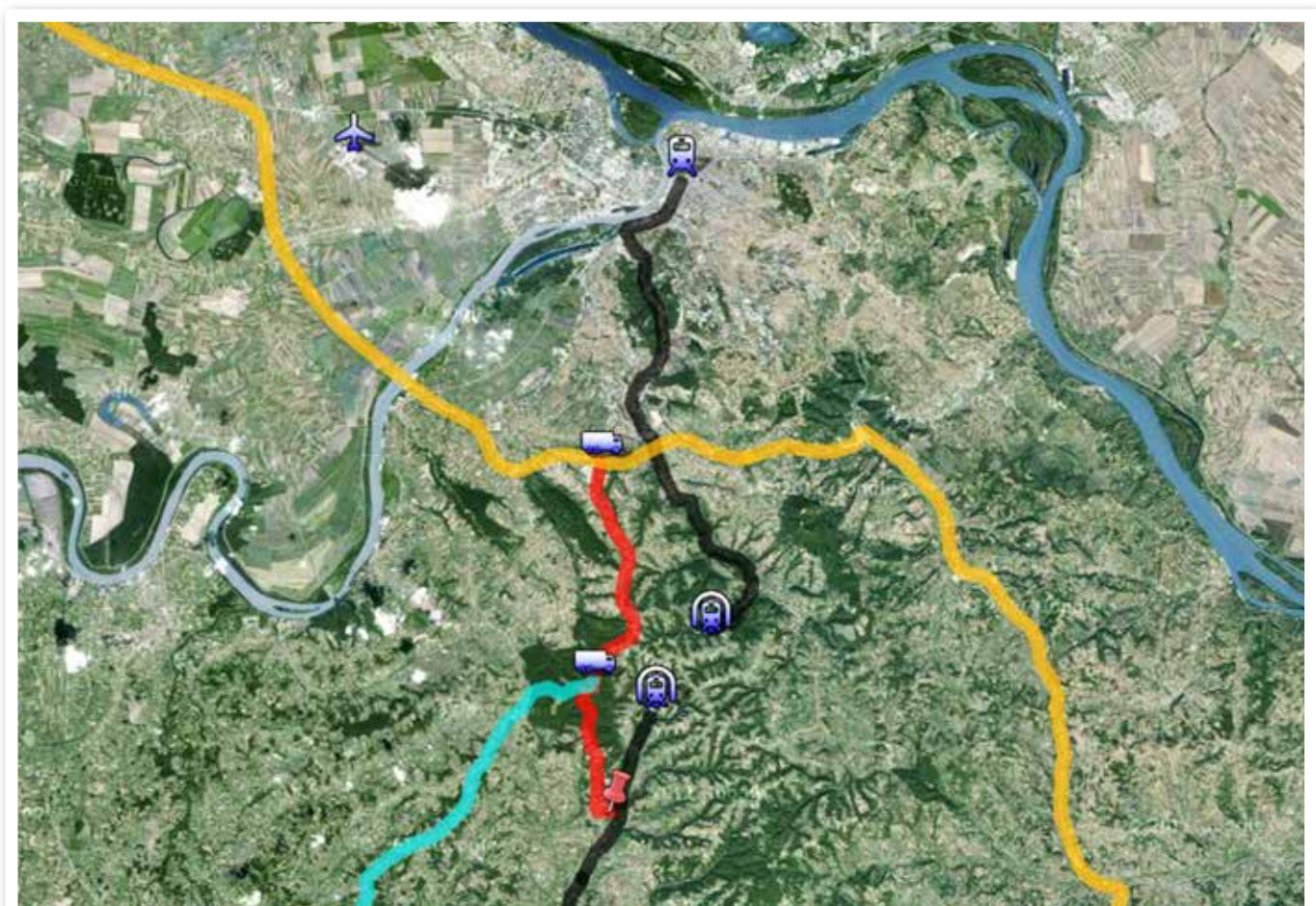
12. Two transformer stations, within the plant;

13. Liquefied gas station.

GEOGRAPHICAL LOCATION

The plant is located on the regional road. It is about 5 km away from the E-763 highway. The Belgrade-Bar railway is in the immediate vicinity of the plant.

The «Belgrade» airport is 30 km away and the port «Belgrade» (on the Danube) is also about 30 km away from the plant.



HISTORY

Industry of Ball Bearings was founded on 10 July 1948 as per the decision of the Government of the FNRJ at that time. With time it became the industrial giant in the former Yugoslavia and in the Balkans while cooperating with the leading industries in Europe and the world.

The plant in Barajevo, as a newly built facility, started the manufacture in 1985. The business and technical cooperation was realized with the company SKF from Sweden and the machinery for the manufacture of ball bearings were primarily purchased from former East Germany (DDR).

The products were exported to several countries (Egypt, Italy, The United States etc.)

In full production, the plant used to manufacture over 1.000.000 ball bearings monthly.

The trade embargo (1992-2000) mainly contributed to the loss of the markets, as well as the poor management, which led to cessation of the production in 2002.

The biggest IKL products customers were the following: Fiat Turin, Zastava Kragujevac (car manufacturers), Sever Subotica, Rade Končar Zagreb, Elektrokovina Maribor, Gorenje Titovo Velenje, Obod Cetinje (manufacturers of electric motors and small appliances), IMT Novi Beograd, IMT Knjaževac, Torpedo Rijeka, Zmaj Zemun, Standard Osijek (manufacturers of tractors and agricultural equipment), Tomos Koper, Čelik Križevci, Reik Kolubara (manufacturers of small engines, transport equipment, process industry, transportation units).

QUALITY SYSTEM

IKL quality system, created and kept for years, resulted in receiving the certification in compliance with ISO 9001 150, awarded by the German certification organization TÜV CERT, Certification Body of Rheinisch-Wesfälischer TÜV e.V.

SPECIALIZED PERSONNEL

According to the last census in 2011, the City Municipality of Barajevo has about 28.000 inhabitants. The IKL plant in Barajevo employed about 600 persons, mainly from the territory of the municipality. Owing to IKL, the vocational secondary school in Barajevo prepares specialists in mechanics who used to spend their internships in the plant when it was in function. In case the buyer of the plant decides to organize the production of similar type, it would have specialized and educated personnel readily available.

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