

CODE OF CONDUCT FOR INSIDER TRADING

PREAMBLE

This Code of Conduct is known as “Code of Conduct for Insider Trading”

This code has been designed pursuant to requirement of Schedule A under regulation 8 and Schedule B under regulation 9 of the SEBI (Prohibition of Insider Trading) Regulation, 2015, effective from 15th May 2015.

The objective of this Code is to enhance the standards of corporate governance and to regulate, monitor and report the Insider trading transactions in compliance with the SEBI (Prohibition of Insider Trading) Regulation, 2015.

RULES

The rules shall be called 'Rules for Trading in the securities of Vishal Bearings Limited by an Insider' ("Rules"). These Rules shall come into force with immediate effect.

DEFINITIONS

- (a) “**Act**” means the Securities & Exchange Board of India Act, 1992 as may be amended from time to time.
- (b) “**Board**” means Board of Directors of the Company.
- (c) “**Code**” means this code of Conduct for Insider Trading including modifications made thereto from time to time.
- (d) “**Company**” means Vishal Bearings Limited.
- (e) “**Compliance Officer**” shall mean Company Secretary of the Company for the purpose of administration of the Insider Trading Policy.
- (f) “**Connected Person**” means
- (i) any person who is or has during the six months prior to the concerned act been associated with a company, directly or indirectly, in any capacity including by reason of frequent communication with its officers or by being in any contractual, fiduciary or employment relationship or by being a director, officer or an employee of the company or holds any position including a professional or business relationship between himself and the company whether temporary or permanent, that allows such person, directly or indirectly, access to unpublished price sensitive information or is reasonably expected to allow such access.
 - (ii) Without prejudice to the generality of the foregoing, the persons falling within the following categories shall be deemed to be connected persons unless the contrary is established:
 - an immediate relative of connected persons specified in clause (i)
 - a holding company or associate company or subsidiary company;
 - an intermediary as specified in section 12 of the Act or an employee or director thereof;

- an investment company, trustee company, asset management company or an employee or director thereof;
- an official of a stock exchange or of clearing house or corporation;
- a member of board of trustees of a mutual fund or a member of the board of directors of the asset management company of a mutual fund or is an employee thereof;
- a member of the board of directors or an employee, of a public financial institution as defined in section 2 (72) of the Companies Act, 2013;
- an official or an employee of a self-regulatory organization recognized or authorized by the Board;
- a banker of the company;
- a concern, firm, trust, Hindu undivided family, company, or association of persons wherein a director of a company or his immediate relative or banker of the company, has more than ten per cent. of the holding or interest;

NOTE: It is intended that a connected person is one who has a connection with the company that is expected to put him in possession of unpublished price sensitive information. Immediate relatives and other categories of persons specified above are also presumed to be connected persons, but such a presumption is a deeming legal fiction and is rebuttable. This definition is also intended to bring into its ambit persons who may not seemingly occupy any position in a company but are in regular touch with the company and its officers and are involved in the know of the company's operations. It is intended to bring within its ambit those who would have access to or could access unpublished price sensitive information about any company or class of companies by virtue of any connection that would put them in possession of unpublished price sensitive information.

- (g) "Generally available information"** means information that is accessible to the public on non-discriminatory basis.
- (h) "Immediate relative"** means a spouse of a person, and includes parent, sibling, and child of such person or of the spouse, any of whom is either dependent financially on such person or consults such person in taking decisions relating to trading in securities.
- (i) "insider"** means any person who is: a connected person; or in possession of or having access to unpublished price sensitive information.
- (j) "promoter"** shall have the meaning assigned to it under the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 or any modification thereof.
- (k) "securities"** shall have the meaning assigned to it under the Securities Contracts (Regulation) Act, 1956 (42 of 1956) or any modification thereof except units of a mutual fund.
- (l) "specified"** means specified by the Board in writing.
- (m) "Takeover regulations"** means the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 and any amendments thereto.

- (n) **"Trading"** means and includes subscribing, buying, selling, dealing, or agreeing to subscribe, buy, sell, deal in any securities, and "trade" shall be construed accordingly.
- (o) **"Trading day"** means a day on which the recognized stock exchanges are open for trading.
- (p) **"Trading Window"** means the period during which, trading in the Company's shares by insiders shall be permissible.
- (q) **"Preclearance of trades"** means where all Directors/ Officers/Designated Employees and their dependants who intend to deal in the securities of the company exceeding the threshold limit in or more tranche from the last disclosure made under this Code should pre-clear the transactions as per the pre-dealing procedure described hereunder.
- (r) **"Regulation"** means Securities and Exchange Board of India (Prohibition of Insider Trading), Regulations, 2015 as amended from time to time.
- (s) **"Unpublished price sensitive information"** means any information, relating to a company or its securities, directly or indirectly, that is not generally available which upon becoming generally available, is likely to materially affect the price of the securities and shall, ordinarily including but not restricted to, information relating to the following:
- Financial Results
 - Dividends
 - Change in capital structure
 - mergers, de-mergers, acquisitions, delisting, disposals and expansion of business and such other transactions
 - changes in key managerial personnel (KMP); and
 - Material events in accordance with the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (LODR).

PURPOSE OF THE CODE

This Code has been formulated to ensure prompt, timely and adequate disclosure of UPSI.

POWER OF THE BOARD

The Board of Directors shall be empowered to amend, modify, interpret these Rules and such Rules shall be effective from such date that the Board may notify in this behalf.

REPORTING BY THE COMPLIANCE OFFICER

The Compliance Officer shall report to the Chairman of the Audit Committee of the Board, all the details of Trading in securities by the Designated Persons including any violations of the Rules, as and when such event arises at the meeting of the Board.

PROHIBITION ON COMMUNICATING OR PROCURING UPSI

An Insider shall not

- Communicate, provide, or allow access to any UPSI, relating to the Company or its securities, to any person including other insiders, except to the extent allowed by these Rules.
- procure from or cause the communication by an Insider of UPSI, relating to the Company or its securities.

Provided that nothing contained above shall be applicable when an UPSI is communicated, provided, allowed access to or procured:

- in furtherance of legitimate purposes, performance of duties or discharge of legal obligations pursuant to appropriate confidentiality and non-disclosure agreements being executed; or
- in the event the Board of Directors direct or cause the public disclosure of UPSI in the best interest of the Company; or
- within a group of persons if such persons have been identified and secluded within a "Chinese Wall" or information barrier by the Compliance Officer from the rest of the Company for a particular purpose or for a specified period of time in furtherance of legitimate purposes, performance of duties or discharge of legal obligations, and are subjected to, among other conditions, additional confidentiality obligations, information barriers designed to prevent exchanges of UPSI outside the "Chinese Wall", and the execution of an undertaking by such persons to abstain and / or forego Trading during such seclusion or till the UPSI no longer constitutes UPSI.

TRADING WINDOW

- 1) Trade in the Company's securities after securing pre-clearance from the Compliance Officer in accordance with these Rules.
- 2) Designated Persons shall not trade in the Company's securities when the trading window is closed.
- 3) The trading window shall be, inter alia, closed at the time of:
 - Declaration of Financial results (quarterly, half-yearly and
 - Declaration of dividends (interim and final)
 - Issue of securities by way of public/ rights/bonus, etc.
 - Any major expansion plans or execution of new projects
 - Amalgamation, mergers, takeovers and buy-back
 - Disposal of whole or substantially whole of the undertaking
 - Any changes in policies, plans or operations of the Company disruption of operations due to natural calamities.
 - Commencement of any new commercial production/commercial operations where the contribution there from is likely to exceed 5% of the total turnover of the Company during that financial year.
 - Developments with respect to changes in pricing/ realization on goods and services arising out of changes in government policy.
 - Litigation/dispute with a material impact.
 - Revision of credit ratings assigned to any debt or equity instrument of the Company.

- Any information which, if disclosed, in the opinion of the person disclosing the same is likely to materially affect the prices of the securities of the Company.
- 4) Additionally, the trading window shall be closed in particular for a Designated Person or class of Designated Persons when the Compliance Officer determines that a Designated Person or class of Designated Persons can reasonably be expected to have possession of UPSI, for such periods as determined by the Compliance Officer.
 - 5) The trading window may be re-opened after closure, not earlier than 48 hours after the UPSI in Question becomes generally available.

PRE-CLEARANCE OF TRADING

- 1) Designated Persons may trade in the securities of the Company when the trading window is open, after obtaining approval of the Compliance Officer by applying as per Annexure 1 and an undertaking as per Annexure 2.
- 2) The Compliance Officer shall not approve any proposed Trade by Designated Person if the Compliance Officer determines that such Designated Person is in possession of UPSI even though the trading window is open.
- 3) The Compliance Officer may, after being satisfied that the application and undertaking are true and accurate, approve Trading by a Designated Person, on the condition that the Trade so approved shall be executed within seven trading days following the date of approval.
- 4) The Designated Person shall, within two days of the execution of the Trade, submit the details of such Trade to the Compliance Officer as per Annexure 3. In case the transaction is not undertaken, a report to that effect shall be filed in the said form.
- 5) If the pre-cleared Trade is not executed within seven trading days after the approval is given, the Designated Person must secure pre-clearance of the transaction again.
- 6) A Designated Person who Trades in securities without complying with the pre-clearance procedure as envisaged in these Rules or gives false undertakings and/or makes misrepresentations in the undertakings executed by him/her while complying with the pre-clearance procedure shall be subjected to the penalties as envisaged in these Rules.
- 7) Nothing in this rule shall apply to any Trade involving a value less than Rs. 5 Lakhs or such other amount as may be specified by the Board of Directors from time to time (a "de minimis Trade") provided the Designated Person is not in possession of UPSI while executing the de minimis Trade.

THE COMPLIANCE OFFICER SHALL MAINTAIN

- a) Updated list of Designated Persons,
- b) Records of disclosures and pre-clearance applications and undertakings for a period of five years

- c) a confidential list of any 'restricted securities' to which the Compliance Officer may require Designated Persons to seek pre-clearance before Trading in such 'restricted securities'.

RECORDS OF DISCLOSURES RECEIVED BY THE COMPANY

The Compliance officer shall maintain records of all the declarations in the appropriate form given by the Directors, Officers, and Designated Employees for a minimum period of three years.

The Compliance officer shall place before the Chairman, on a quarterly basis all the details of the dealing in the securities by the Designated Employees, Directors, Officers of the Company, and the accompanying documents that such persons had executed under the pre-dealing procedure as envisaged in this code.

ADDITIONAL TRADING RESTRICTIONS ON DESIGNATED PERSONS

All Designated Persons who Trade in the securities of the company shall not enter into an opposite transaction during the next six months following the prior transaction. In case of any contra trade be executed, inadvertently or otherwise, in violation of such a restriction, the profits from such trade shall be liable to be disgorged for remittance to the SEBI for credit to the Investor Protection and Education Fund administered by SEBI.

PENALTY FOR INSIDER TRADING

- 1) An Insider who acts in contravention of these Rules shall be liable to have his services or Relationship with the Company, as the case may be, terminated.
- 2) Directors, Officers, and employees of the Company who violate these rules shall be subject to disciplinary action by the Company, which may include wage freeze, suspension, ineligibility for future participation in the Company's stock option plans or termination.
- 3) The SEBI or any other appropriate regulatory authority would also be informed of the violation of these Rules so that appropriate action may be taken.

The Company shall require all Connected Persons to formulate and adhere to a code of Conduct to achieve compliance with these Rules. In case such persons observe that there has been a violation of these Rules, then they shall inform the Board of Directors of the Company promptly.

PRINCIPLES OF FAIR DISCLOSURE

The Company shall ensure:

- a) Prompt public disclosure of UPSI that would impact price discovery no sooner than credible and concrete information comes into being in order to make such information generally available.
- b) Uniform and universal dissemination of UPSI to avoid selective disclosure.
- c) Prompt dissemination of UPSI that gets disclosed selectively, inadvertently or otherwise to make such information generally available.
- d) Appropriate and fair response to queries on news reports and requests for verification of market rumors by regulatory authorities.
- e) Information shared with analysts and research personnel is not UPSI.

- f) Developing best practices to make transcripts or records of proceedings of meetings with analysts and other investor relations conferences on the official website of the Company to ensure official confirmation and documentation of disclosures made.
- g) Handling of all UPSI on a need-to-know basis.

OVERSEEING AND COORDINATING DISCLOSURE

- a) The Company shall designate a Company Secretary as a Compliance Officer (CO) to deal with dissemination and disclosure of UPSI.
- b) The CO would be responsible to ensure timely, adequate, uniform and universal dissemination and disclosure of UPSI pursuant of this code as required under the Insider Trading Regulations so as to avoid selective disclosure.
- c) The CO shall be responsible for ensuring that the company complies with continuous disclosure requirements, overseeing and coordinating disclosure of UPSI to Stock Exchange(s) where Vishal Bearings Limited securities are listed, analysts, shareholders and media, and educating employee on disclosure policies and procedure.
- d) Disclosure/dissemination of UPSI may normally be approved in advance by CO. In case of doubt, the CO shall consult and seek approval of the Managing Director / Executive Director(s) / the Chief Financial Officer of the company / Disclosure Committee constituted by the Board of Directors of the company pursuant to the LODR / regulations, before dissemination of such information.

RESPONDING TO MARKET RUMORS

The CO / KMP shall be responsible for deciding whether a public announcement is necessary for verification or denying rumors and then making the disclosure, if required. They may consult any other Executive Director(s) of the Company.

DISCLOSURE / DISSEMINATION OF PRICE SENSITIVE INFORMATION WITH SPECIAL REFERENCE TO ANALYSTS, RESEARCH PERSONNEL, INSTITUTION INVESTORS

No person, except those authorised by the CO / KMP, shall disclose any information relating to the Company's Securities to analysts, research personnel and institutional investors.

All directors and employees of the company should follow the guidelines given hereunder while dealing with analysts, research personnel and institutional investors:

- a) Only public information to be provided
The Company shall provide only public information to analyst / research personnel / large investors like institutions. The CO shall ensure that information shared with them is not UPSI. The information given to the analyst should be made public at the earliest.
- b) Recording of discussion and Simultaneous release of Information
In order to avoid misquoting or misrepresentation, it is desirable that at least one company representatives be present at meetings with analysts, brokers or institutional investors and discussions should preferably be recorded.

When a Company organizes meetings with analysts and other investor relations conferences, the CO will ensure that the transcripts or records of proceedings of meetings with analysts and other investors relations conferences are posted on

the official website of the company, to ensure official confirmation and documentation of disclosure made. The company may also consider live web casting of analyst meets.

c) Handling of unanticipated questions

The company should be careful when dealing with Analysts questions that raise issues outside the intended scope of discussion. Unanticipated question may be noted, and a considered response given later. If the answer includes price sensitive information, then it should be made generally available before responding.

MEDIUM OF DISCLOSURE / DISSEMINATION

- a) The Company shall ensure that disclosure to Stock Exchange(s) where Vishal Bearings Limited are listed is made promptly.
- b) Disclosure / dissemination of information may be done through various media so as to achieve maximum reach and quick dissemination.
- c) The Company may also facilitate disclosure through the use of its official website.
- d) The information filed by the Company with exchanges under continuous disclosure requirement may be made available on the company website.

The company will also promptly intimate any amendment to this Code of Corporate Disclosure Practices to the stock exchanges where Company's Securities are listed, as required under the Insider Trading Regulations.

Annexure 1
APPLICATION FOR PRE-TRADING APPROVAL

To,
The Compliance Officer
Vishal Bearings Limited.

Pursuant to the SEBI (Prohibition of Insider Trading) Regulations, 2015 and the Company's Insider Trading Policy, I seek approval to purchase / sell / subscribe _____ equity shares of the Company as per details given below:

- | | | |
|----|--|--|
| 01 | Name of the applicant | |
| 02 | Designation | |
| 03 | Number of securities held as on date | |
| 04 | Folio No. / DP ID / Client ID No. | |
| 05 | The proposal is for | Purchase of securities
subscription of securities
sale of securities |
| 06 | Proposed date of trading in securities | |
| 07 | Estimated number of securities proposed to be purchased/ subscribed/ sold | |
| 08 | Current market price (as on date of application) | |
| 09 | Whether the proposed transaction will be through stock exchange or off -market trade | |
| 10 | Folio Note/ DP ID /Client ID No. where the securities will be credited / debited | |

I enclose herewith the Undertaking signed by me.

Name:
Date:

Annexure 2
UNDERTAKING TO BE ACCOMPANIED WITH THE APPLICATION FOR PRE- CLEARANCE

To,
The Compliance Officer
Vishal Bearings Limited.

I, _____, _____ of the Company residing at _____, am desirous of trading in _____ shares of the Company as mentioned in my application dated _____ for pre-clearance of the transaction.

I further declare that I am not in possession of any unpublished price sensitive information up to the time of signing this Undertaking.

In the event that I have access to or receive any unpublished price sensitive information after the signing of this undertaking but before executing the transaction for which approval is sought, I shall inform the Compliance Officer of the same and shall completely refrain from trading in the securities of the Company until such information becomes public.

I declare that I have not contravened the provisions of the Rules as notified by the Company from time to time.

In the event of this transaction being in violation of the Rules or the applicable laws, (a) I will, unconditionally, release, hold harmless and indemnify to the fullest extent, the Company and its directors and officers, (the 'indemnified persons') for all losses, damages, fines, expenses, suffered by the indemnified persons, (b) I will compensate the indemnified persons for all expenses incurred in any investigation, defence, crisis management or public relations activity in relation to this transaction and (c) I authorize the Company to recover from me, the profits arising from this transaction and remit the same to the SEBI for credit of the Investor Protection and Education Fund administered by the SEBI.

I undertake to submit the necessary report within two days of execution of the transaction / a 'Nil' report if the transaction is not undertaken.

If approval is granted, I shall execute the trade within seven days of the receipt of approval failing which I shall seek pre-clearance afresh.

I declare that I have made full and true disclosure in the matter.

Name:
Date:

Annexure 3
DISCLOSURE OF TRANSACTIONS
(To be submitted within 2 days of transaction / trading in securities of the Company)

To,
The Compliance Officer
Vishal Bearings Limited.

I hereby inform that I

- have not bought / sold/ subscribed any securities of the Company
- have bought/sold/subscribed to _____ securities as mentioned below on ____ (date)

(Strike out whichever is not applicable)

Name of Holder	No. of Securities Traded	Bought/ Sold/ Subscribed	DP & Client ID	Price (Rs.)

I declare that the above information is correct and that no provisions of the Company's Rules and/or applicable laws/regulations have been contravened for effecting the above said transactions(s).

Name:

Date: