ABANS

ABans Group of Companies

CODE OF BUSINESS CONDUCT AND ETHICS ON CIRCULATION OF UNAUTHENTICATED NEWS FOR MANAGERIAL PERSONNEL AND EMPLOYEES

(Revised Edition: Feb`2026)

[Board Resolutions Dated: ASPL – 02-02-2026 / ABSPL – 02-02-2026 / ACIPL – 02-02-2026]

Abans Securities Private Limited (ASPL)
Abans Commodities (I) Private Limited (ACIPL)
Abans Broking Services Private Limited (ABSPL)

THIS CODE CAME INTO FORCE WITH EFFECT FROM THE **1st DAY OF APRIL, 2011.**

Applicability and object of the code:

This self-regulated Code is applicable to all Managerial Personnel and Employees (both Permanent and Temporary staff) of the ABans Group of Companies to maintain the highest ethical standards and to govern the conduct of the employees with regard to circulation of unauthenticated news or rumors as it can do considerable damage to the functioning and behaviour of the stock market and can distort the price discovery mechanisms. The code is made in compliance with the SEBI Circular no. Cir/ISD/1/2011 dated 23rd March, 2011 in connection with unauthenticated news circulated by SEBI Registered Market Intermediaries through various modes of communication by its Managerial Personnel/Employees. The code has been further updated and modified as per various directives and circulars issued by the Exchange/s from time to time.

"No Managerial Personnel or Employee shall –

- Communicate or counsel or procure, directly or indirectly, any unverified information or rumors related to securities, to any other person(s)
- Encourage or circulate rumours or unverified information obtained from client(s), industry, any trade or any other source without verification.
- Access to blogs, chat forum and other sites and if accessed shall either be restricted under the supervision of the Compliance Officer or should not be accessed at all
- Use any blogs /chat forums / messenger sites for divulging any unverified information or for circulation of any kind of rumors in the market.
- Circulate any market related news received by him/her either in their official mail/personal
- Mail/blog or in any other manner, and such information should be forwarded only after the same has been seen and approved by the Compliance Officer of the company.

The employee is required to maintain the log of such communication on internet / blogs / chat / forums / messenger sites in all cases including the usage under the supervision of the Compliance Officer and shall provide a copy of the same to Compliance Officer immediately.

However, notwithstanding anything contained in the above-mentioned rules will be applicable to any sort of communication required by the employee for/or in relation to any assignment of the Company within ordinary course of business or for pursuing any research for the development or/ in the interest of the company

This Code can be modified/amended/altered by the Compliance Officer of the company as required from time to time in compliance of the relevant provisions/regulations in this regard.

Compliance Officer

Compliance officer here mean a person who is designated as the "Compliance Officer" by the company under the SEBI (Stock Brokers and Sub-Brokers) Regulation, 1992.

Penalty for contravention of internal code of conduct

Any Managerial Personnel / Employee/ Officer who circulates or counsel or communicates any unverified information or rumors for trading in securities, in contravention of the above-mentioned code of conduct, shall be deemed to have violated the provisions contained in SEBI Act/Rules/Regulations etc and shall be liable for appropriate action. The Compliance Officer shall also be held liable for breach of duty in this regard.

Latest Enhancements –

"SMS" Stocks:

As per the recent SEBI / Exchange requirements ABans Group of Companies carries out the necessary due diligence in refraining its clients doing trading on "SMS" stocks based **on unsolicited messages being circulated by unregistered / unauthorized entities.**

However, the Company keeps a strict vigilance on the following points too, in compliance with the SEBI / Exchanges guidelines in this regard-

- For any significant selling concentration of clients in the SMS Stocks, the ABans **shall withhold the sale proceeds of the clients** and **transfer the same to the designated Bank Account** earmarked for this purpose

- ABans ensures that the clients as identified above, do not transact further in the SMS stocks

- Proceeds of SMS stocks shall be transferred to designated bank account, irrespective of whether the client continues to trade with ABans or not.

- In the event where the client has closed his trading account, ABans shall make all efforts to bring the funds back from clients else it will transfer its own funds to the extent of deficit to the designated bank account.

- ABans shall **submit a confirmation to the Exchange/s** after transferring the requisite funds to the designated account each time

- ABans shall also **submit a duly certified letter from the designated bank** confirming the Exchange/s wise balance on a monthly basis

- ABans will never withdraw funds out of the designated account until directed by the Regulatory Body or the Exchange/s

- ABans will transfer the proceeds of SMS stocks to the designated bank account for all SMS Stocks which may be published by the Stock Exchanges on its website from time to time

- Compliance officer of Abans on a monthly basis will submit a compliance status w.r.t withholding of sales proceeds (i.e. details of funds withheld) on the designated email address of the Exchange/s.

- Funds/securities withheld by Abans shall be retained for a period of 1 year or till completion of examination whichever is earlier. Post elapse of such period as referred above, upon intimation by the Exchange/s the withheld funds shall be released after providing necessary undertaking as guided by the Exchange/s

Caution towards dealing with Unsolicited Messages – Update

Exchange shall be considering references of unsolicited messages that are received at designated email-ids or mobile number along with other details as informed on the Exchange website under head ‘Investors Beware'. Exchange shall ascertain the veracity /genuineness of references before updating the ‘For Information/Current Watch list’.

1. Action applicable under 'For Information list':

-The trading member shall have to carry out adequate monitoring, to check the selling concentration / trading pattern of their clients in such Stocks.
-Additionally, the trading member shall also carry out due diligence and shall release the payout to their client only after carrying out further:

i) Scrutiny of KYC documents to compare income range declared and value of such transaction,
ii) Whether the client is directly/indirectly connected to the company/ promoters/ directors of the company, etc.
iii) Method of acquisition of shares by client - whether on-market/off-market/IPO/Preferential allotment,
iv) Whether source of funds and period of holding is not in line with the client's usual behaviour.

2. Action applicable for 'Current Watch list':

Once a stock gets shortlisted in the Current Watchlist, the following shall be applicable:

a) Once the intimation is received from the Exchange, the members are required to withhold the sale proceeds of the shortlisted clients
b) Such withholding of funds shall be applicable for the transactions executed for a period of past 7 calendar days
c) Trading members shall ensure that the clients as identified in point no 2(a), do not transact further in the SMS Stocks.
d) Sales Proceeds of SMS stocks shall be withheld which shall be transferred to separate designated account, irrespective of whether the client continues to trade with the said Trading Member or not.

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