

ABANS GROUP OF COMPANIES

SHORT SELLING POLICY

(Revised Edition: _____)

*[Board Resolutions Dated: ASPL -
_____/ ABSPL - _____ /
ACIPL - _____]*

**ABans Securities Private Limited (ASPL)
ABans Broking Services Private Limited (ABSPL)
ABans Commodities India Private Limited (ACIPL)**

SHORT SELLING POLICY

1. Purpose

This Policy establishes the framework and controls for short selling transactions undertaken by clients through Abans Group stock broking entities, in accordance with applicable SEBI, Stock Exchange, Clearing Corporation and Depository requirements.

This Policy applies to Abans Securities Private Limited (ASPL) and Abans Broking Services Private Limited (ABSPL), as applicable to their respective memberships and permitted segments.

2. Regulatory Framework

The Policy shall be governed by applicable requirements of Securities and Exchange Board of India (SEBI), NSE and BSE, Clearing Corporations, Depositories, Securities Lending and Borrowing (SLB) framework, and any Other applicable regulatory authorities. The principal regulatory basis includes SEBI's Framework for Short Selling dated January 5, 2024, applicable Master Circulars and subsequent amendments/circulars.

3. Eligibility and Permitted Securities

Short selling may be undertaken by eligible retail and institutional investors, subject to applicable regulatory and Exchange requirements.

Short selling shall be permitted only in securities and segments where it is allowed under the prevailing regulatory and Exchange framework. Eligible securities shall be appropriately configured in the trading/RMS systems.

4. Prohibition of Naked Short Selling

Naked short selling is not permitted.

Clients undertaking short sales shall be required to meet applicable delivery obligations at settlement. The SLB mechanism shall be used wherever applicable to facilitate delivery.

5. Trading and RMS Controls

Trading and RMS systems shall provide appropriate controls for:

- Identification of short-sale orders
- Client and security eligibility
- Margin and collateral requirements
- Position and exposure monitoring
- Security-specific restrictions
- Settlement and delivery obligations
- Potential shortages and delivery failures

No transaction shall be permitted where it breaches applicable regulatory, Exchange or internal risk limits.

6. Short-Sale Reporting

Abans shall collect and maintain scrip-wise short-sale information and submit the prescribed information to the relevant Stock Exchange within the applicable timeline.

Operations/Compliance shall ensure accuracy, validation and timely submission of such reports.

7. Settlement and Delivery

Operations shall monitor:

- Short-sale quantities and client obligations
- Securities required for delivery
- Availability through permitted borrowing arrangements
- Potential shortages
- Auction/close-out implications
- Penalties and other applicable charges

Any actual or potential delivery failure shall be immediately escalated to Operations, Risk and Compliance.

8. Risk Management

Risk Management shall monitor short-sale exposure considering:

- Client exposure and available margins
- Security concentration
- Price/circuit limits
- Settlement exposure

- Client history of delivery shortages

Additional margins or restrictions may be imposed in accordance with Abans' internal risk framework.

9. System and Reconciliation Controls

Trading, RMS, Back Office and reporting systems shall accurately capture short-sale transactions and support required reporting.

Appropriate reconciliation shall be carried out between:

- Trading and RMS records
- Exchange trade files
- Client positions
- Clearing obligations
- Settlement/delivery records

Discrepancies shall be investigated and rectified within the applicable timeline.

10. Record Keeping

Records relating to short selling shall be maintained as required under applicable regulations and internal policies, including:

- Order and trade details
- Short-sale reports and Exchange submissions
- Settlement and delivery records
- Shortage/auction records

11. Policy Review

The Policy shall be reviewed periodically and whenever there is a material change in the applicable regulatory or Exchange framework.

In case of any conflict, applicable regulatory requirements shall prevail.

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