

GEE BEE SECURITIES PVT LTD

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SEBI Registration No. INZ000204633

Policy Version No. 2026.1

Objective

The objective of this policy is to have in place an effective market surveillance mechanism to ensure investor protection and to safeguard the integrity of the markets. The goal of surveillance is to spot adverse situations in the markets and to pursue appropriate preventive actions to avoid disruption to the markets and the company. The fairness of the markets is closely linked to investor protection and, in particular, to the prevention of improper trading practices. This monitoring is required to analyze the trading pattern of the clients in order to observe whether any transaction (buying/selling) done intentionally, which will have an abnormal effect on the price and/or volumes of any share, which is against the fundamental objective of the Securities Market.

Background

Indian Regulator Securities and Exchange Board of India, leading Stock Exchanges National Stock Exchange of India Limited (“NSE”), Bombay Stock Exchange Limited (“BSE”), Multi Commodity Exchange of India Ltd and leading Depository National Securities Depository Ltd have put in place a mechanism that will generate automated alerts for Stock-Brokers & Depository Participants whenever suspicious transactions are detected in their clients accounts. The alerts will be generated in case of unusual changes in the trading/delivery pattern of the clients, sudden trading/delivery in dormant accounts as also in suspected cases of circular trading, 'pump and-dump', “front running” and 'wash-sale' activities etc.

Responsibility

The Compliance Officer shall be responsible for the implementation and supervision of this Policy. The Compliance Officer shall take all necessary steps to analyze, monitor, document and report the findings to the Board Members as well as the relevant Stock Exchanges and/or regulatory bodies, in a time bound manner, as detailed hereunder and/or as mandated by the Stock Exchanges and/or regulatory bodies. The Compliance Officer shall exercise their independent judgment and take adequate precautions to ensure implementation of an effective surveillance mechanism, based on the day-to-day activities of the clients, general market information and the facts and circumstances.

In view of the above, Gee Bee Securities Pvt Ltd shall frame policy based on nature of their trading operation, depository business, type of clients, number of trading as well as demat account, which shall inter alia cover the following and these will be reviewed periodically.

1. Generation of suitable Surveillance Alerts

Generation of suitable surveillance alerts- Following but not exhaustive alerts should be generated from our end.

Transaction Alerts- Trading	Transaction Alerts- Depository
Client/Group of clients, as identified by the Trading Member, accounting for a significant percentage of the total trading activity in a scrip/contract as compared to market	Alert for multiple demat accounts opened with same demographic details: Alert for accounts opened with same PAN /mobile number / email id/ bank account no. / address considering the existing demat accounts held with the Participant
Client/group of clients with new account or clients dealing after a significant time gap, as identified by the trading member, accounting for significant value/percentage of total trading activity in a scrip/contract as compared to market.	Alert for communication (emails/letter) sent on registered Email id/address of clients are getting bounced.
Client/group of clients dealing frequently in small quantities/minimum market lot in a scrip/contract	Frequent changes in details of demat account such as, address, email id, mobile number, Authorized Signatory, POA holder etc.
Disproportionate trading activity vs reported income/Net Worth.	Frequent Off-Market transfers by a client in a specified period
Frequent changes in KYC submitted by clients.	Off-market transfers not commensurate with the income/Networth of the client.
Based on an announcement by listed company, identify client/group of clients, having possible direct/indirect connection with a listed company, who have undertaken any suspicious trading activity prior to price sensitive announcement by said listed company.	Pledge transactions not commensurate with the income/Networth of the client.
Client/group of clients having significant selling concentration, in the scripts, format part of "For information list", or "Current Watch list." For more details, kindly refer Exchange circular no. NSE/INVG/45517 dated 30.08.2020	Off-market transfers (High Value) immediately after modification of details in demat account
Consistency in Profit/Loss at client/group of clients' level rationale for such trading activities. In addition, trading member may also refer details given in exchange circular no. NSE/INVG/2019/40175 dated 07.02.2019	Review of reasons of off-market transfers provided by client for off-market transfers vis-à-vis profile of the client e.g. transfers with reason code Gifts with consideration, frequent transfers with reason code Gifts/Donation to unrelated parties, frequent transfers with reason code off-market sales
Significant trading activity in scripts by client who has pledged the shares of same scrip.	Alert for newly opened accounts wherein sudden Increase in transactions activities in short span of time and suddenly holding in demat account becomes zero or account becomes dormant after some time.
In case of concerns of trading activity of a client of group of clients in a scrip, monitor whether the orders are being placed by respective clients or authorized representatives and monitoring client's address as per KYC vis a vis the dealing officer address.	Any other alerts and mechanism in order to prevent and detect any type of market manipulation activity carried out by their clients
For Trading who are also Depository Participant - Significant trading activity in scripts	

where client has pledged shares or his significant holding or has frequent off market transactions.	
For Trading who are also providing internet based trading -Surveillance/monitoring of IP address of clients (including identification of multiple client codes trading from the same location.	

Gee Bee Securities Pvt Ltd endeavours to frame this policy for surveillance of these alerts as well as alert generated from Backoffice and other systems and the manner of disposal of the same.

The Surveillance and disposal of the alerts shall be done on the following grounds:

a. Receipt of "Alerts" from Exchanges / Depository/Generated at member's end.

Downloading of Transaction Alerts: The Transaction Alerts provided by the Stock Exchanges/Depository and internally generated by the Back Office Software shall be downloaded by Backoffice team on a regular basis and the same shall be forwarded to the Designated Director and Compliance Officer.

b. Time frame for disposition of alerts and if there is any delay in disposition, reason for the same shall be documented.

The alerts so generated or received shall be disposed/closed/settled/verified/reported within 45 days from the date of alerts generated/received from Exchanges and within 30 days from the date of alerts generated/received for Demat transactions/Depository. In case the matter prolongs beyond 45 days the same should be reported to the Board of Directors, by the Compliance Officer, citing reasons for such delay. The Compliance Officer may seek extension of the time period from the Exchange/Depository, whenever required, under intimation to the Board of Directors.

c. Suspicious / Manipulative activity identification and reporting process.

Upon receipt of the above mentioned alerts/documents, the Compliance Officer and the Risk Management Team shall analyze the documents sought from the Client as well as the KYC & KRA of the Client and shall record the observations for such identified transactions or Client(s)/Group of Client(s).

a. Unexplained, unusual or abnormal transactions which are not in line with the normal expected trend of transactions in the account are required to be identified and should be reported accordingly.

b. Upon receipt of alerts, the same are to be forwarded to the concerned dealer/RM of the client(s) seeking an explanation/clarification from the client(s) reason behind carrying out such trade(s) in their accounts.

c. In addition to above, the Company also seeks documentary evidence from clients such as bank statement / updated financial statement.

- d. In case of funds, Bank statements of the Client(s) / Group of Client(s) from which funds pay-in have been met, to be sought.
- e. In case of securities, demat account statements of the Client(s)/ Group of Client(s) from which securities pay-in has been met, to be sought. The period for such statements may be at least +/- 15 days from the date of transactions to verify whether the funds / securities for the settlement of such trades actually belongs to the client for whom the trades were transacted.
- f. After analyzing the documentary evidences, the Company should record its observations for such identified transactions or Client(s)/Group of Client(s).

In case adverse observations are recorded, the Compliance Officer shall report all such instances to the Exchange within 45 days of the alert generation. In case adverse observations are recorded, the Compliance Officer shall report all such instances to the Depository within 30 days of the alert generation in case of demat related transactions.

With respect to the alerts generated at the Participants end, Participants shall report instances with adverse observation, along with details of action taken, to NSDL within 7 days of the date of identification of adverse observation.

Detailed process of transactions to be reviewed, type of transactions to be reviewed and other points in this regard are given in Annexure-1

d. Record Maintenance

The Compliance Officer shall be responsible for all surveillance activities carried out by the Company and for the record maintenance of such activities. The Compliance Officer shall be assisted by the Risk Management Team and the KYC & KRA Officer for the surveillance activities and shall have the discretion to take assistance/help from any professionals and/or software for the better implementation of the surveillance activities, without diluting the accountability and responsibility of the Compliance Officer. Each alert received from the exchange shall be backed by necessary supporting documentary evidence collected from clients, any other additional details as may be deemed fit may be captured and placed before the Board of Directors for review.

As per the company's Anti Money Laundering policy, the background including all documents / office records / clarifications sought pertaining to such transactions & purpose thereof shall be examined carefully & finding shall be recorded in writing. Documents & records should be made available to auditors & SEBI /Stock Exchanges / FIUIND etc. Records are required to be preserved for 5 years.

- e. Framework of appropriate actions that can be taken by the Participant as per obligations under Prevention of Money Laundering Act (PMLA).

In order to maintain the records of the transactional alerts received from the Exchanges/ Depositories or the one generated at our end, and to analyze the trading activity of the Client(s)/Group of Client(s) or scripts identified based on above alerts, based on the type of Alerts, the following steps might be taken to review and dispose of the alerts:

1. Seek explanation from such identified Client(s)/Group of Client(s) for entering into such transactions.
2. Financial details of the client.
3. Past trading pattern of the clients/client group.
4. Seek documentary evidence such as bank statement/demat transaction statement or any other
5. Documents to satisfy itself
 - In case of funds The Financial details of the client, Bank statements of the Client(s)/Group of Client(s) from which funds pay-in has been met, to be sought.
6. Other connected clients having common email/mobile number/address or any other linkages etc.
7. Other publicly available information

On receipt of the above information, after analyzing the reply and evidences, the Company shall record its observations for such identified transactions or Client(s)/Group of Client(s) and in case of any adverse findings/comments/suspicion are observed, the same shall be communicated to the Exchange or any other regulatory, As desired by the Exchange Or depository Or any Regulatory, As per the time specified by the them. In case analysis is taking time due to complexity, an extension may be sought to review the alert(s).

2. Client Due Diligence

1. The Company is required to carry out the Due Diligence of its client(s) on a continuous basis.
2. The Company shall ensure that key KYC parameters are updated on a continuous basis as prescribed by SEBI and latest information of the client is updated in UCC database of the Exchange.
3. Based on KYC and updated information the Company shall establish groups/ association amongst clients to identify multiple accounts / common account/ group of clients.

The following Financial information also needs to be updated and monitored for all the active F&O clients:

1. Copy of ITR Acknowledgement
2. Copy of Annual Accounts
3. Copy of Form 16 in case of salary income
4. Net worth certificate
5. Salary Slip
6. Bank account statement for last 6 months
7. Copy of demat account Holding statement.
8. Any other relevant documents substantiating ownership of assets.
9. Self declaration along with relevant supporting

3. Monitoring and Reporting

The compliance officer would be monitoring the policy from time to time based on the guidelines of Regulators, Internal controls and the requirements of the business to safe guard the system.

A quarterly MIS shall be put up to the Board on the number of alerts pending at the beginning of the quarter, generated during the quarter, processed and acted upon during the quarter and cases pending at the end of the quarter along with reasons for pendency and action plan for closure. Also, the Board shall be apprised of any exception noticed during the disposal of alerts.

Internal auditor of Participant shall review the surveillance policy, its implementation, effectiveness and review the alerts generated during the period of audit. Internal auditor shall record the observations with respect to the same in their report.

Internal Auditor shall verify that the quarterly MIS is prepared and placed before the Board of the Participant.

Trading/Member/Participants are also required to provide duly approved status of the alerts on a quarterly basis, in the following format to Exchanges/Depository within 15 days from end of the quarter.

a. Status of Alerts generated by the Exchanges/Depository:

Name of Alert	No. of alerts pending at the beginning of quarter	No. of new alerts generated in the quarter	No. of alerts Verified & closed in the quarter	No. of alerts reported to Depository	No. of alerts pending for process at the end of quarter

b. Details of any major surveillance action taken (other than alerts reported to Exchange/ Depository), if any, during the quarter

Sr. No.	Brief action taken during the quarter

c. Trading Member/Participant who do not have anything to report, need to submit 'NIL Report' within 15 days from end of the quarter

The above details shall be uploaded by the Participants on NSDL e-PASS Portal/Member Surveillance Dashboard of Exchanges.

In case of late / non-submission of these quarterly report of the alerts generated by Trading Member/ Depository Participant as mentioned above, Trading Member/Depository Participant shall be liable for penalty. In view of the same, it should be ensured that submission to exchanges/Depository is being made on timely basis.

4. Review

This policy may be reviewed as and when any changes are introduced by any statutory authority or as and when it is found necessary to change the policy due to business needs.

The Director/Compliance Officer shall review the surveillance policy, its implementation, effectiveness and review the alerts generated during the period of audit. Internal auditor shall record the observations with respect to the same in their report.

5. Approval Authority

This surveillance policy is as approved by the Board of Directors at its Board Meeting on 31st January 2026.

Annexure-1

Steps to be taken for analysis of each alert by Compliance Team:

Alert Generation System: The Risk Management Team generates alert reports at the end of each day from the Back-Office Software which is analyzed to identify suspicious transactions. Alerts from Stock Exchanges and Depositories are also collated.

Quality of Dealing:

Identify scrips in BE, T and TS having 50 % of Exchange volume.

Identify the clients and check the bonafide of transactions.

High Value Deals:

Review the deals above Rs. 25 Lacs in single scrip.

In case of buy deals, check whether sufficient margin is available.

In case of sale deal, check whether the shares are available.

Identify scrips where deals are persistently contributing higher volumes.

Identify clients, who have taken high value positions, review their ledger accounts in order to verify whether there is sudden increase in.

Significant increase in client activity: Client(s)/Group of Client(s) who have been dealing in small quantities/value suddenly significantly increase their activity. In such cases the following shall be examined:

Transaction Turnover more than Rs. 10.00 Lacs.

Delivery Turnover more than Rs. 1.00 Lacs.

Deal size more than 2 times of the average deal size.

Whether such volume is justified given the background of the client and his past trading activity.

Cumulative amount of funds that was brought in by the Client(s)/Group of Client(s) for the purchases made during the period.

Whether such inflow of funds is in line with the financial status of the client.

Whether the transactions of such Client(s)/Group of Client(s) are contributing to concentration or impacting the price.

Sudden trading activity in dormant accounts: This refers to such cases where the client has not traded more than 3 months and suddenly starts/resumes trading in stocks or low market capitalized scrips or enters into transaction which is not in line with his financial strength. In such cases following shall be reviewed and examined:

Trade Gap Analysis for more than 90 days.

Reasons for trading in such scrips/contracts.

Whether the client is only placing the order or is it some third party.

Whether there is any concerted attempt by a Client(s)/Group of Client(s) to impact the prices of such scrips/contracts through use of such dormant accounts.

Clients/Group of Client(s), dealing in common scrips: Such dealing is contributing significantly to the volume of the scrip at broker level and at the Stock Exchange level. The following shall be reviewed and examined:

Reasons for trading in such scrips.

Whether there is any concerted attempt by a client(s)/Group of Client(s) to impact the prices of such scrips.

Whether there is any concerted attempt by a client (s)/Group of Client(s) to indulge in movement of profit/loss from one client to another.

In case a client/ group of clients contributed more than 40% volume at Exchange level, repeatedly in the same scrip in last fifteen-day, client(s) is / are accumulating the scrip.

Check if client(s) is/ are transferring the same to third party Demat accounts through off-market transactions.

Client(s)/Group of Client(s) concentrated in a few illiquid scrips: The following shall be reviewed and examined:

Typically, the Risk Management Team shall block trading in scrips which are listed as Illiquid Scrips by the Stock Exchanges through its circulars.

Any trading in such scrips are done on specific request by client, and the same is allowed by the Compliance Officer only upon scrutiny of the beneficial ownership of the selling, pre-pay-in of funds by the buying client and trades are executed at the last traded price.

Activity concentrated in illiquid scrips.

Sudden activity in illiquid securities.

Reasons for trading in such scrips.

Whether there is any concerted attempt by a Client(s)/Group of Client(s) to impact the prices of such scrips.

Whether there is any concerted attempt by a Client(s)/Group of Client(s) to indulge in movement of profit/loss from one client to another.

Percentage of Client(s)/Group of Client(s) activity to total market in the scrip/contract is high.

Identify clients who have traded in these scrips more than 25% of Exchange volume.

Pump and Dump:

Risk Management Team to disallow trades for being executed at prices significantly away from the market and later on squaring off to earn significant profits.

Wash Sales or Reversal of Trades:

Same Client(s)/ Group of Client(s) on both sides of the transaction. (i.e. same trade number on both the buy and sell side).

Reversal of transactions by same Client(s) or within same Group of Client(s) at significantly different trade prices within a short period of time says 3-4 days.

One client makes significant profit and other suffers a loss or apparent loss booking transactions in illiquid contract/securities including options

Front Running:

Trading, by Client(s)/ Group of Client(s)/employees, ahead of large buy/sell transactions and subsequent square off have to be identified and such transactions have to be reviewed for determining front running.

There is a consistent pattern of Client(s)/ Group of Client(s)/employees trading ahead of large buy/sell transactions.

Order book spoofing i.e. large orders away from market

Consistent placement of large orders significantly away from the market with low trade to order trade ratio or canceling orders within seconds after placing them thereby creating a false impression of depth in a particular scrip/contract

Repeated pattern of placement of large buy orders which are away from the market price and simultaneous placement of sell orders to benefit from price rise or vice-versa.

Impact of Trading Pattern on Price and Volume of the Scrip

Identify the days on which the client has taken concentrated positions in the scrip and Compare price and volume on the Exchange on said dates to ascertain whether:

Increase in price or volume beyond 20%.

Client has taken positions at day's high or low rates.

Review of Client Receipts / Payments

Review of Receipts/Payment details of the Client having unusual pattern of funds movement. Analyze the Receipts & Payments of the client on daily basis and on Q-to-Q basis. Daily Bank Reconciliation on a Maker-Checker basis to be conducted to scrutinize Dishonor of Cheques.

Relation of Client with the Management/ Promoters of the Company

Check whether the client is related to management or promoters of the company in whose scrip client is trading.

Also check whether the client is holding more than 1% of the shares of the company.

Review of KYC & Turnover Vis-à-vis Financial Income Submitted by Client

Review the KYC and supporting documents submitted by the client.

Validate volume done by the client with his financial net worth and margin provided.

Identify the clients whose turnover is disproportionate with the Annual Income provided in KYC.

Review the Risk categorization of the client and categorize the client based on the validation done.

Scrutinize the Transactions of the clients and follow up with the concerned branches for collection of the latest financials. Seek details from Branch on the occupation, social and financial status of client.

If Branch feedback on client is not satisfactory, refer the case to the Principal Officer.

Graded Surveillance Measures (GSM):

In continuation with the various measures implemented above to enhance market integrity and safeguard interest of investors, the Compliance Officer and Risk Management Team shall also take

into account the trading in Securities under the Graded Surveillance Measures (GSM) on securities that witness an abnormal price rise that is not commensurate with financial health and fundamentals of the company.

At present, there are 6 stages defined under GSM framework viz. from Stage I to Stage VI. Surveillance action has been defined for each stage. Once the security goes into a particular stage, it shall attract the corresponding surveillance action.

The Risk Management Team has to be extra cautious and diligent while dealing in such securities as they have been placed under higher level of surveillance. A file containing stage wise GSM details is available on the website of NSE and BSE at the following link:

☞ https://www.nseindia.com/invest/content/equities_surv_actions.htm

☞ https://www.bseindia.com/markets/equity/EQReports/graded_surveil_measure.aspx

GSM framework shall work in addition to existing actions undertaken by the Exchange on the company's securities.

Additional Surveillance Measure (ASM)

The Compliance Officer and Risk Management Team shall also take into account the trading in securities under the Additional Surveillance Measure with surveillance concerns based on objective parameters viz. Price variation, Volatility etc.