

GEE BEE SECURITIES PVT LTD
RISK MANAGEMENT POLICY
SEBI Registration No. INZ000204633
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Objective

Broker is Securities and Exchange Board of India (SEBI) registered Stock broker of the National Stock Exchange of India Ltd & BSE LTD. Broker broadly takes into consideration the regulatory requirement, Client Profile, Internal Risk Management Policy, Market Conditions etc., while setting up the exposure limits for and on behalf of its Clients. The Policy envisage collection of pay in, margin, limits setting for exposures & turnover for clients, terminals, Monitoring of Debit Balances, Periodicity of such monitoring, periodic reconciliation wherein client has expressly accepted the balance confirmation, Steps taken for recovery of old debts, penal interest charged for long outstanding debts, Mechanism of pay-in and pay-out of funds and securities, Payment, Receipt of funds from/to clients, Policy of square off of positions.

Responsibility

The Compliance Officer shall be responsible for the implementation and supervision of this Policy. The Compliance Officer shall take all necessary steps to monitor, document, analyze 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 his/her independent judgment and take adequate precautions to ensure implementation of an effective monitoring mechanism, based on the day-to-day activities of the clients, general market information and the facts and circumstances. The Internal Auditor of Broker, shall review the implementation, documentation, effectiveness and review the actions taken during the period of audit and shall record the observations with respect to the same in their Internal Audit Reports. The Board of Directors shall review and provide necessary guidance with regard to the “Risk Management Policy” periodically, for strengthening the processes.

Exposure Limit for the client

The exposure limits for a Client shall be set up considering the following parameters:

-The Client shall have to maintain “upfront margin” in the form of Cash, Approved Securities and Bank Guarantee(s) for availing trading exposures in the Capital Market Segment and in the Derivative Market Segment(s).

-The Client is not entitled to trade without adequate margin/security and that it shall be his/her/its responsibility to ascertain in advance the margin/security requirements for his/her/its orders/trades/deals and to ensure that the required margins/security is made available to the broker, in such form and manner as may be required by the broker.

-The Exposure Limit will be a certain multiple of the available margin. Such multiplier will be as decided by the broker from time to time and may vary from Client to Client. In any case it will be ensured that exposure given cover the approximate margin requirement of exchanges.

-We may from time to time impose and vary limits on the orders that the Client can place through trading system of the broker, including exposure limits, turnover limits, limits as to the number, value and/or kind of securities/contracts in respect of which orders can be placed, etc. The broker may need to vary or reduce the limits or impose new limits urgently on the basis of the risk perception of the broker and other factors considered relevant by the broker, including but not limited to limits on account of Exchange/Regulatory directions/limits (such as Broker Level /Market Level Limits in security/contract specific/volume specific exposures etc.) and the broker may be unable to inform the Client of such variation, reduction or imposition in advance. The broker shall not be responsible for such variation, reduction or imposition or the Clients inability to route any order through the Trading System of the broker on account of any such variation, reduction or imposition of limits.

-Available margin for the purpose of granting exposure is calculated as a sum of free credit balance of the Client in the books of the broker, margin in the form of funds, securities of the Clients available with the broker.

-The choice of the securities to be considered, as margin shall be determined by broker at its sole discretion from time to time and the Client shall abide by the same. The categorization of the stocks and the haircut applicable is reviewed from time to time based on Regulatory Dictates, Market Information and Other Factors as deem fit by the broker. Any specific event which leads to increase in risks involved related to a particular scrip would also lead to change of category/haircut of such scrip. Also, in extremely volatile market with abnormal price/volume movements, or in case of warnings by Regulators/Exchanges, scrip may be re-categorized without prior notice and the Clients shall regularize their trades accordingly.

-While granting the exposure limit, margin in the form of securities, will be valued as per the latest available closing price on NSE or BSE after applying appropriate haircut as may be decided by the broker at its sole discretion.

-If the order of the Client is executed despite a shortfall in the available margin, the Client shall, whether or not the broker intimate such shortfall in the margin to the Client, makeup for the shortfall suo-moto immediately. The Client further agrees that he/she/it shall be responsible for all orders (including any orders that may be executed without the required margin in the account of the Client) and/or any claim/loss or damage arising out of the nonavailability/shortage of margin or securities required by the broker and/or Exchange and/or Regulator.

-We are entitled to transfer funds and/or securities from his account for one exchange and/or one segment of the exchange to his/her/its account for another exchange and/or other segment of the same exchange whenever applicable and found necessary by the broker. The Client also agrees and authorizes the broker to trade/adjust his/her/its margin/security lying in one Exchange and/or one segment of the Exchange/towards the margin/security/pay-in requirements on other exchange and/or another segment of the exchange.

-In case the Client makes the payment of the margin/security/settlement obligation/debit in account through a Bank Instrument, the broker shall be at liberty to give the benefit/credit for the same only on the realization of the funds from the said bank instrument etc. at the absolute discretion of the broker.

-Where the margin/security is made available by way of securities or any other property, broker is empowered to decline its acceptance as margin/security and/or to accept it at such reduced value as the broker may deem fit by applying hair-cuts or by valuing it by marking it to market or by any other method as broker may deem fit in its absolute discretion.

Margin Collection from Clients

-Risk Management System has been devised to ensure that there shall be no violations in the capital adequacy requirements with the exchanges and thus risks shall be minimized.

-Risk containment measures include upfront margin collection from clients, trading exposure on basis of margins collected from clients, online surveillance of client positions, liquidating client positions to the extent of client dues, squaring off client positions when client margin requirements are breached.

-Margins collected from the clients shall be of any of these forms:

- Margins shall be accepted in Cash vide Account Payee Cheques (Preferably a Transfer Cheque or Direct Transfer) from the client issued from their accounts declared at the time of opening their securities account.
- Margins shall be accepted vide Approved Securities as per list provided by exchange from time to time, which shall be valued subject to scrip-wise applicable hair cut based on Var Margin + Extreme Loss Margin in the CM segment.
- Securities which are actively traded on the National Exchanges, which are specifically not declared as illiquid securities (by the Exchanges) shall only be considered towards margin collection in the form of Securities.
- At least 50% of the Effective Deposits shall be in the form of cash.

Funds Pay-In/ Out

- We shall not receive/pays in cash.
 - We shall make/receive payment on by an Account Payee Cheque or through Electronic mode.
 - We shall accept payments of Funds for Pay-In and/or Cash Margin from the Bank Account(s) declared by the Client(s) in the KYC form and/or updated by the Client(s) thereafter.
 - We shall not receive Pre-Funded Instruments from its Client and shall follow the Pre-Funded Instrument Policy as approved by the Board of Directors of Broker.
- We shall NOT accept Funds for Pay-In and/or for the purpose of Margin, from any undeclared Bank Account that has not been declared by the Client.
- In case the Funds are inadvertently accepted and/or forcibly credited to the Bank account of the broker, in such circumstances, credits shall not be given to the clients and shall be rejected and returned back to the source account upon careful due diligence.
 - We shall make payment to client on receipt of request by physical letter or through email communication.

Securities Pay-In/ Pay-Out

- We shall accept securities of Securities for Pay-In and/or Securities Margin from the Demat Account(s) declared by the Client(s) in the KYC form and/or updated by the Client(s) thereafter.
- We shall NOT accept Securities for Pay-In and/or for the purpose of Margin, from any undeclared Demat Account that has not been declared by the Client.
- In case the Securities are inadvertently accepted and/or forcibly credited to the Pool Account and/or Client Collateral Account of the broker, in such

circumstances, credits shall not be given to the clients and shall be rejected and returned back to the source account upon careful due diligence.

-Pay out are directly provided to client demat account by clearing corporation. In case client has debit balance, we have to ask clearing corporation in advance to not to release the securities to client and the same shall be lien marked in favor of broker by clearing corporation.

- We shall collect securities from the respective clients before Pay-In of the respective exchange.

Monitoring of Debit Balances

-The Risk Management Team shall monitor the debit balances of the client on a daily basis.

-The clients shall be advised to make payments of their dues by T+1 day or by T+2 day.

-In case the clients have not cleared their dues by T+5 day, the respective codes shall be marked for “ONLY SELL” over the Trading Terminals where the clients shall not be allowed to open fresh positions.

In case of the clients having debit balances, the payout of securities shall be withheld in the CUSPA Account/ or will be transferred to the demat account of the client on the sole discretion of the management. In case the clients fail to clear their dues within 5 days, the Branch Manager shall follow up with the clients and inform them that in case the dues are not cleared, the same shall be realized by selling their collaterals as well as payout of securities held back in accordance to the Liquidation of Client Position Policy as approved by the board of Directors of Broker.

-Branch Head and Compliance Officer shall regularly monitor Debit Balances of clients and conduct ageing analysis of the Debit Balances, outstanding from the clients, on monthly basis and categorize them as: a) High Risk; b) Medium Risk; c) Low Risk.

-Those clients whose outstanding dues remain more than 30 days the broker shall classify them into High Risk category and efforts shall be made to realize the money at the earliest.

-Those clients whose outstanding dues remain more than 15 days but less than 30 days, the broker shall classify them into Medium Risk category and efforts shall be made to realize the money at the earliest.

-Those clients whose outstanding dues remain more than 7 days but less than 15 days, broker shall classify them into Low Risk category.

-In case of Huge Debits with Single Scrip Concentration, for any client, if the outstanding debit exceeds a certain amount and concentration is in a

particular security on account of buying done / collateral provided, the broker may restrict the client from further buying or trading in that security. The client will be allowed to place only sell orders to reduce the debit. We will take discretionary decision to allow the client to trade if he brings in fresh Funds to clear the Debit or brings in different security as collaterals other than security which forms the significant concentration. The Clients Position may be squared off if necessary to reduce the debit.

-We may in exceptional circumstances, in the rarest of the rare cases, institute legal cases for the realization of Debits, upon approval of the Board of Directors of Broker.

- Necessary statement of accounts shall be sent to clients upon as required by exchange requirement at required intervals.

- Settlement of Funds & Securities as well as at the end of each Calendar Month or Quarter as mandated by client will be done to ensure that the balances are reconciled at regular intervals with the clients, to identify errors/disputes, if any and such errors/disputes are resolved at the earliest to ensure timely action.

Imposition of Penalty/Delayed Payment Charges

Delayed Payment Charges

In case the Client fails to settle the obligations with regard to funds and securities before the stipulated pay-in deadline as notified by the Exchanges for any transactions executed by the Client in any of the respective Stock Exchanges and/or market segments, We would be at liberty and will be governed by the Policy approved by the board which forms Part & Parcel of this Policy We may charged interest to client at the rate decided by Board of Directors.

Derivative Trading, Recovery of MTM Loss & Squaring off Derivative positions for margin shortfall

Trading in Equity Shares, Derivative Contracts (in Equity, Currency, Commodities & Interest) or other instruments traded on the Stock Exchange(s), which have varying element of risk, is generally not an appropriate avenue for someone of limited resources/limited investment

and/or trading experience and low risk tolerance. Clients shall therefore carefully consider whether such trading is suitable for them in the light of their financial condition. In case clients trade on Stock Exchanges and suffer adverse consequences or loss, the client shall be solely responsible for the same and Stock Exchanges/its Clearing Corporation/ SEBI and/or broker shall not be responsible, in any manner whatsoever, for the same and it will not be open for the Clients to take a plea that no adequate disclosure regarding the risks involved was made or that the Client were not explained the full risk involved by broker. The Client shall be solely responsible for the consequences and no contract can be rescinded on that account. The Client acknowledge' s and accept' s that there can be no guarantee of profits or no exception from losses while executing orders for purchase and/or sale of a derivative contract/s being traded on Stock Exchanges.

-That in the Derivative Contracts, the amount of margin is small relative to the value of the Derivatives Contract so the transactions are 'leveraged' or 'geared'. Derivatives Trading, which is conducted with a relatively small amount of margin, provides the possibility of great profit or loss in comparison with the margin amount. But transactions in derivatives carry a high degree of risk, with unlimited gains and/or unlimited losses.

- That an option holder runs the risk of losing the entire amount paid for the option in a relatively short period of time. This risk reflects the nature of an option as a wasting asset which becomes worthless when it expires. An option holder who neither sells his option in the secondary market nor exercises it prior to its expiration will necessarily lose his entire investment in the option. If the price of the underlying does not change in the anticipated direction before the option expires, to an extent sufficient to cover the cost of the option, The Client understands that it may lose all or a significant part of his investment in the option.

-That the Exchanges may impose exercise restrictions and have absolute authority to restrict the exercise of options at certain times in specified circumstances. That if the price movement of the underlying is not in the anticipated direction, the option writer runs the risks of losing substantial amount.

- That the risk of being an option writer may be reduced by the purchase of other options on the same underlying interest and thereby assuming a spread position or by acquiring other types of hedging positions in the options markets or other markets. However, even where the writer has assumed a spread or other hedging position, the risks may still be significant. A spread position is not necessarily less risky than a simple 'long' or 'short' position.

-That transactions that involve buying and writing multiple options in combination, or buying or writing options in combination with buying or selling short the underlying interests, present additional risks to investors. Combination of transactions, such as option spreads, are more complex than buying or writing a single option and as in any area of investing, a complexity not well understood is, in itself, a risk factor.

-That while this is not to suggest that combination strategies should not be considered, it is advisable, as is the case with all investments in options, to consult with someone who is experienced and knowledgeable with respect to the risks and potential rewards of combination transactions under various market circumstances.

-That liquidity refers to the ability of market participants to buy and/or sell securities/ derivatives contracts expeditiously at a competitive price and with minimal price difference. Generally, it is assumed that more the numbers of orders available in a market, greater is the liquidity. Liquidity is important because with greater liquidity, it is easier for investors to buy and/or sell securities/ derivatives contracts swiftly and with minimal price difference, and as a result, investors are more likely to pay or receive a competitive price for securities/ derivatives contracts purchased or sold. There may be a risk of lower liquidity in some securities/ derivatives contracts as compared to active securities/ derivatives contracts. As a result, my/our order may only be partially executed, or may be executed with relatively greater price difference or may not be executed at all.

- That trading on exchanges is in electronic mode, based on satellite/leased line based communications, combination of technologies and computer systems to place and route orders. Thus, there exists a possibility of communication failure or system problems or slow or delayed response from system or trading halt, or any such other problem/glitch whereby not being able to establish access to the trading system/network, which may be beyond control and may result in delay in processing or not processing buy or sell orders either in part or in full.

- The failures may be on account of the trading software/engines developed by the Exchanges Like BOW which are beyond the Control at our end. In case of any loss occurred under such circumstances then Broker shall not be responsible to indemnify any loss. The Client understands that it shall be cautious to note that although these problems may be temporary in nature, but when the Client shall have outstanding open positions or unexecuted orders, these may represent a risk because of its obligations to settle all executed transactions.

-As a matter of routine Risk Management and Compliance Procedures, it would be prudent to limit client's future exposure strictly as par with the initial margin collected and the client's ability to meet MTM loss quickly as advised by the Clearing Member/ Stock Exchanges, and the same is recovered from clients on T+1 day on the basis of Margin Short Collection Report. On the client's failure to put in additional margin to make good the MTM loss, it is imperative that the relative F&O position is squared off before margin short collection positions are uploaded to the Exchanges.

-The RMS Desk would intimate the Clients about their open positions and margin shortfall to the Clients which are dynamically accessible to the clients though their secured access to Back Office Software. The Clients having open positions should check their MTM and Margin Obligations without failure on a regular basis as Margin and MTM Obligations change dynamically during the course of the day. In Such Scenario Broker shall be at liberty to Square off the Position.

-Broker may at its sole discretion close open positions to cover risks in case the client fails to comply with any Margin Requirements as stipulated by the Exchanges as also if MTM losses breach 85% of the collateral deposits maintained by the Client. All open positions shall be squared off by Risk Management Team at the prescribed cut-off time on the same day of their acquisition in case of Intra-Day Positions, unless the positions are sooner squared off upon the positions incurring a loss to the extent of the prescribed maximum limit or more as may be determined by broker from time to time. The Square-Off of open positions shall be on best effort basis and that if for any reason beyond your control, like force majeure causes, disruptions in the communication network, system failure, slow or delayed response from system, trading halts, or the Exchange applying circuit filters because of which the open positions could not be squared off on T-Day and are carried forward to T+1 Day, the square off such open positions shall be executed on a best effort basis, as soon as may be, and any and all losses, including but not limited to price difference, margin shortfall, surveillance margin, penalty, interest, etc., arising from such events will be to the account of the Client.

-The Client agrees and voluntarily accepts that it shall not hold broker, its Directors, Key Managerial Persons, Officers or employees liable for any losses which it may sustain and incur as a consequence of availing Derivative Trading Facility.

Liquidation of Securities without Consent of Clients

-The Client needs to furnish adequate margin as specified by broker from time to time from its sole and absolute discretion. It shall be the responsibility of the Client to ascertain in advance the margin requirement for its order/trades/deals and to ensure that the required margin is made available to broker in such form and manner as may be required by broker.

-The margin will have to be paid within the time frame stipulated by the Exchanges or broker, generally in case of fresh positions upfront, in case of Mark-to-Market and/or any other additional margins before the commencement of trading on next trading day and in case where the exchanges levy and/or increase any margin required during the day, immediately upon levy and/or increase in any such margin.

- The Client shall fulfill all its settlement obligations within the time frame, stipulated by the broker or the Exchanges, whichever is earlier. The Client shall ensure timely availability of funds/securities in designated form and manner at designated time and in designated bank and depository account(s) at designated place, for meeting its pay-in obligations of funds and securities. Broker shall not be responsible for any claim/loss/damage arising out of non-availability/short-availability of funds/securities by the Client in the designated account(s) of the broker for meeting the pay-in obligation of either funds or securities.

-Broker shall have right to sell securities of the Client, both on paid securities as well as collaterals deposited towards margins, or close-out open positions of the Client, without giving notice to the Client where there is a delay/failure of the Client to meet the pay-in obligations and/or there is a failure of the Client to bring additional margins to cover the increase in risk in the dynamic market conditions.

-As per the present Exchange requirements, the Member Broker is required to maintain 50:50 ratios between cash and collateral margin deposited with the Exchange. Broker shall therefore have the prerogative to insist for margin in the similar ratio as mandated by the Exchange from its Clients and may not consider the value of securities over and above the cash component for the purpose of calculating margins shortfall and close the Derivative position where it finds the deviation. However, sales made in capital market segment are not considered while closing Derivative positions on T and T+1 basis due to margin shortfall.

-There should be morning intimation from RMS to Branches intimating the names of the clients whose positions are to be exited.

-Broker has the right but not the obligation to cancel all pending orders and to sell/close/liquidate all open positions/securities/shares at the pre-defined square-off time or when mark-to-market (MTM) percentage reaches or

crosses stipulated margin percentage decided by broker. We will have sole discretion to decide referred stipulated margin percentage depending upon the market conditions. Such margin percentage will be communicated from time-to-time orally or through e-mails or through its Trading Terminals, Branch representatives etc. However in the event of extreme volatility and/or open position (outstanding) of Client resulting in mark to market losses beyond margin percentage of broker anytime during the trading session, and/or positions of the Client or collateral being not saleable, thereby forcing broker liquidate any of the available positions of the Client and collateral same shall be done by broker during the course of Trading Session without recourse to the Client.

-In the event of such Square-Off, the Client agrees to bear all the losses (actual or notional), financial charges, damages based on account of such liquidation/sale/closing-out on actual executed prices. Broker is entitled to prescribe the date and time by which the margin/security is to be made available and broker may refuse to accept any payments in any form after such deadline for margin/security expires. If the Client fails to maintain or provide the required margin/fund/security or to meet the funds/margins/securities pay-in obligations for the orders/trades/deals of the Client within the prescribed time and form, broker shall have the right without any further notice or communication to the Client to take any one or more following steps:

- To withhold any pay-out of funds/securities.
- To withhold/disable the trading of the Client.
- To liquidate one or more securities of the Client by selling the same in such manner and at such rate which broker may deem fit in its absolute discretion. It is agreed and understood by the Client that securities here includes securities, which are pending delivery/receipt.
- To liquidate/square-off partially or fully the position of sale and/or purchase in any one or more securities/contracts in such manner and at such rate which broker may decide in its absolute discretion.
- To take any other steps, which in the given circumstances, broker may deem fit.
- The Client agrees that the losses if any, on account of any one or more steps enumerated herein above been taken by broker , shall be borne exclusively by the Client alone and agrees not to question the reasonableness, requirements, timings, manner, form, pricing, etc., which shall be chosen by broker.

- broker may follow the required Policy in place for liquidation of securities but it may not be binding on it to follow this method in all cases.
- broker shall have right to close-out any intra-day positions taken by the Client after a defined “Cut-Off” time as decided by broker. Such “Cut-Off” time will be communicated from time-to-time orally or through e-mails or through its Trading Terminals, Branch representatives etc.
- In case of failure to comply with any provisions of the Bye Laws, Rules and Regulations of the Exchange/Clearing Corporation, requirements of the Exchange/Clearing Corporation including the requirements pertaining to the position limits as imposed by the relevant authority from time to time, the relevant authority may at its discretion, either on its own or on the advice from the Clearing Corporation, without notice close-out open positions to the extent possible or take any such measures or actions, as may be deemed fit from time to time. The Client shall not hold broker/Exchange(s) responsible for losses, if any, on such measures or actions.
- broker shall have the right to sell securities of the Client or Close-Out open positions of the Client but it shall not be under any obligations to undertake this exercise compulsorily. Broker shall therefore not be under any obligation to compensate/or provide reasons of any delay or omission on its part to sell securities of the Client or close open positions of the Client.
- Restriction for Further Position: An illustrated list of circumstances in which broker may not allow the Client to take further positions or may Close/Liquidate a part or whole of the existing position of the Client are as follows:
 - Failure by the Client in providing sufficient/adequate margin(s) and/or insufficient/inadequate free credit balance available in the account of the Client.
 - If the Client fails to deposit the margin/additional margin by the deadline or if an outstanding debit occurs in the account of the Client beyond the stipulated time period.
 - If the Client fails to maintain, the requisite margin, in such form and manner, as may be specified by broker, from time-to-time.
 - Settlement obligations are not paid by the Client within the time frame allowed by the Exchanges or as per the norms specified by broker from time-to-time at its sole and absolute discretion.
 - Securities falling in the category of Penny Stocks/Illiquid Stocks/Contacts/Options as described in Policy (I) above.
 - List of securities marked (“SMS Stocks”) published by the Exchange(s) from time-to-time

- Trades, which apparently in the sole and absolute discretion of broker seems to be synchronized trades/circular trading/artificial trading/manipulative in nature, etc.
- In case any Relevant Authority is of the Opinion that a particular underlying no longer meets its requirements for Trading or is not eligible for Trading or if the Relevant Authority decided to discontinue trading in particular market segment for such reasons as it may deem fit and may in such circumstances impose restrictions on transactions that no new open positions can be taken in such underlying and/or contract that have been previously introduced.
- In case any Relevant Authority may limit the transactions with regard to the total number of securities and/or contracts on an underlying that a single investor and/ or group of investors acting in concert may take up and/or exercise during such time period as may be prescribed by the Relevant Authority from time to time.
- In case any Relevant Authority may at any time in its absolute discretion prescribe maximum long and/or short open positions for any Client and/or group of Clients with regard to quantity and/or value for any underlying and/or contract.
- Any ban imposed on the Client by the Regulatory Authorities.
- The Client have been found in the opinion of broker of any misconduct, forgery, suppression of facts and falsification of information provided by the Client at the time of opening of the Trading Account with broker.
- Where name of the Client apparently resembles with the name appearing in the list of debarred entities published by SEBI/Exchanges [where the information available for the debarred entity (other than name) is not sufficient enough to establish that the Client and such debarred entity are one and the same.
- In case it is found in the opinion of broker, any terms and conditions, with regard to the Rights and Obligations and/or Policies & Procedures (both Mandatory and Voluntary), signed by the Client at the time of opening the Securities Trading Account has been violated.
- The Client fails to furnish documents/information as may be called for by broker from time- to-time as per regulatory requirement and/or as per its internal policy.
- The Client fails to comply with any provisions of the Bye Laws, Rules and Regulations of the Exchange/Clearing Corporation, requirements of the Exchange/Clearing Corporation and any Relevant Statutory & Regulatory Authorities.

- In the event of death or insolvency or lunacy of the Client otherwise becoming incapable of receiving and paying for or delivering or transferring securities which the Client has ordered to be bought or sold.
- Depending on the market circumstances if broker is of the view that the positions of the Client are at risk then broker may close the existing position without waiting for the pay-in schedules of the exchanges.
- In case in the opinion and sole discretion of broker, that such further position would be adverse and detrimental to the Compliance Requirement with regard to any provisions of the Bye Laws, Rules and Regulations of the Exchange/Clearing Corporation, requirements of the Exchange/Clearing Corporation and any Relevant Statutory & Regulatory Authorities.
- broker may at any time at its sole discretion and without prior notice, prohibit or restrict the Clients ability to place orders or trade in securities/contract through broker, or it may subject any order placed by the Client to a review before its entry into the trading systems and may refuse to execute/allow execution of orders due to but not limited to the reason of lack of margin or contracts which are not in the permitted list of broker/Exchange(s)/any other Regulatory Body or the order being outside the limits set by broker/Exchange and any other reasons which broker may deem appropriate in the circumstances. The Client shall not hold broker/Exchange(s) responsible for losses, if any on account of such refusal or due to delay caused by such review, etc. broker is also entitled to disable/freeze the accounts and/or trading facility/any other service facility, if, in the opinion of broker, the Client has committed a crime/fraud or has acted in contradiction of these Policies and Procedures or/is likely to evade/violate any laws, rules, regulations, directions of a lawful authority whether Indian or Foreign or if broker so apprehends.
- Operational Principle: These are as follows:
 - broker shall in normal circumstances avoid liquidation of Securities without informing the clients.

However, in exceptional market circumstances, broker may have to resort to liquidation of securities to realize dues and cover risk of Broker.

- broker shall inform the client regarding the dues and margin obligations on a daily basis through e-mail/courier/Hand Delivery. The RMS Officer shall personally call upon the clients, whose margin is due, to apprise the clients of the penalties which are charged due to shortfall in Margin as well as the recourse which Broker has to most reluctantly initiate as per the Rules and Regulations laid by the Exchange/Regulator. Continuous follow up with the

clients shall be made till T+4 days, regarding the dues to make good in the stipulated time period.

- The RMS Officer/Associate Compliance Officer shall inform the client both verbally and in writing before the liquidation of positions, detailing the exact situations/reasons wherein such unavoidable measures of squaring off had to be undertaken by Broker.
- Records regarding margin calls made are shall be maintained by the Risk Management Department and reported to the Compliance Officer.

Refusal of Orders of Penny Stocks

- Penny Stocks and/or Illiquid Stocks /Contracts/Options are risky investments due to thin liquidity; greater volatility factor as well as they are infrequently traded on the stock exchanges. In view of the risks involved in dealing with Penny Stocks and/or Illiquid Stocks/ Contracts/Options, broker shall generally advise its Clients to desist from trading in them.
- A Security may be treated as Penny Stocks and/or Illiquid Stocks/Contracts/Options if it falls in any one category as mentioned herein below:
 - List of Illiquid Securities issued by the Exchanges periodically.
 - Trade-to-Trade settlement.
 - “Z” – Group.
 - Illiquid Options/Far Month Options/Long Dated Options.
 - Any other Securities/Contracts/Options as may be decided by broker, which may be considered by broker in its sole discretion as volatile or have concentration risk at Client level or at the security level or any other reason.
 - Stocks under Graded Surveillance
 - Stocks where Unsolicited Messages are Circulated (“SMS – Stock”)
 - SEBI has directed the Exchanges to draw up a list of illiquid securities based on criteria jointly agreed between BSE, NSE and SEBI and make it available to the trading members on a monthly basis and such list shall be reviewed on a monthly basis.
 - As trading members have been advised by the Regulatory Authorities to exercise additional due diligence while trading in Penny Stocks and/or Illiquid Stocks/Contracts/ Options, broker shall have exclusive rights and prerogative to refuse and/or to accept such orders with regard to Penny Stocks and/or Illiquid Stocks/Contracts/Options, notwithstanding the fact that the Client has adequate credit balance or margin available in his/her/its account and/or the Client had previously purchased or sold such securities through broker. In case of F & O segment, all the far Month Option contracts and third Month Option Contracts may not have buy and sell limit

due to its illiquid nature. However, in all above cases if client still wish to trade then the client needs to coordinate with the respective branch and the limit will be set by Head Office after analyzing the requirement.

-broker may permit restrictive acceptance of orders in such scrips in controlled environments like asking the Client to place orders at a centralized desk at Head Office instead of allowing trading in such scrips at Branch Level.

-broker shall not be responsible for delay in execution of such orders and consequential opportunity loss or financial loss to the Client. Broker may cancel orders in such scrips received from Clients before execution or after partial execution without assigning any reasons thereof.

-broker may take appropriate declarations from the Clients before accepting such orders.

-broker shall be free to charge upfront payment for the purchase transaction in penny Stocks as well as upfront delivery in case of sale transactions of such Penny Stocks and/or Illiquid Stocks/Contracts/Options.

Refusal of Orders in Stocks which are Settled in Physical mode/ Optional Demat mode

No trading will be allowed in stock/scrips which will be settled in Physical mode.

Refusal to Accept Buy and/or Sell Orders at Abnormal Prices

- Regulatory Authorities and Stock Exchanges have come across instances, where a Client/set of Clients were observed to be executing matched trades in illiquid securities and/or future contracts and/or options contracts reversing transactions with significant variation in prices between first and reversing trades. Such trades were executed at prices, which apparently had no relation to the price of underlying security at that point of time. Precisely the modus operandi taken in such trades wherein one Client/set of Clients trading through a particular trading member would incur a loss and the counter party Client trading through another trading member would earn a profit. In most of the cases, one or both legs of transactions were away from the current market price. Some of the trading members reported that the Clients who suffered losses failed to meet their obligations.

- Regulatory Authorities and Stock Exchanges have come across instances, where a Client/set of Clients were observed to be executing large transactions in the form of block deals executed in certain scrips in the stock exchanges, which prima-facie, appear to have been negotiated in advance

between the parties and then put through the Stock Exchange mechanism in a synchronized manner. Media reports appearing on the subject have also alleged that some of these transactions might have been executed by certain market participants with an ulterior motive to distort the fair price discovery in such scrips. Such market practices do not appear to be in conformity with the extant guidelines/regulations of SEBI/ Stock Exchanges.

- broker would have exclusive rights and prerogative to refuse and/or to accept such orders with regard to securities in respect of which unsolicited message being circulated by the unregistered/unauthorised entities, irrespective of the facts that the clients have credit balance in their securities account.

- Such types of transactions, mentioned herein above are under the regulatory purview and are hence, being scrutinized by the stock exchanges and SEBI, concurrently. SEBI/Stock Exchanges may take punitive action for any possible violation of the provisions of the extant guidelines/regulations of SEBI/Stock Exchanges against the market participants who indulge in such type of transactions.

- As trading members have been advised by the Regulatory Authorities to exercise additional due diligence while trading in these securities, orders placed in such securities would be executed upon the sole discretion of broker.

- broker would have exclusive rights and prerogative to refuse and/or to accept such orders with regard to Penny Stocks and/or Illiquid Stocks/Contracts/Options and/or order and/or orders which, prima facie appear to be non-genuine, notwithstanding the fact that the Client has adequate credit balance or margin available in his/her/its account and/or the Client had previously purchased or sold such securities/contracts through broker.

- In view of the above, the Client(s) would not be allowed to place both buy and sell orders at abnormal prices and/or price differences in the Cash Market Segment, Future Market Segment and in case of option contracts, that might not have any relevance to the movement in prices in underlying securities at that point of time.

- broker may permit restrictive acceptance of orders in such Penny Stocks and/or Illiquid Stocks/Contracts/Options in controlled environments like asking the Client to place orders at a centralized desk at Head Office instead of allowing trading in such Penny Stocks and/or Illiquid Stocks/ Contracts/ Options at Branch Level.

- broker shall not be responsible for delay in execution of such orders and consequential opportunity loss or financial loss to the Client.

- broker may cancel orders in such Penny Stocks and/or Illiquid Stocks/ Contracts/ Options received from Clients before execution or after partial execution without assigning any reasons thereof.
- broker may take appropriate declarations from the Clients before accepting such orders.

Graded Surveillance Measures (GSM):

- Securities and Exchange Board of India (SEBI) and Exchanges in order to enhance market integrity and safeguard interest of investors, have been introducing various enhanced pre-emptive surveillance measures such as reduction in price band, periodic call auction and transfer of securities to Trade to Trade category from time to time. The main objective of these measures is to;
 - alert and advice investors to be extra cautious while dealing in these securities and advice market participants to carry out necessary due diligence while dealing in these securities.
 - In continuation to various surveillance measures already implemented, SEBI and Exchanges, pursuant to discussions in joint surveillance meetings, have decided that along with the aforesaid measures there shall be additional Graded Surveillance Measures on securities which witness an abnormal price rise not commensurate with financial health and fundamentals like Earnings, Book value, Fixed assets, Net worth, P/E multiple, etc.
 - The list of such securities identified under GSM shall be informed to market participants separately and shall be available on exchanges website.
 - Further, GSM framework shall come in to action one week from the publishing of the list.
 - All market participants dealing in identified securities have to be extra cautious and diligent as, Exchanges and SEBI may at an appropriate time subject to satisfaction of certain criteria lay additional restrictions such as:
 - placing / continuing securities in trade to trade category,
 - requirement of depositing additional amount as Surveillance Deposit, which shall be retained for an extended period.
 - once in a week trading,
 - once in a month trading and
 - freezing of price on upper side of trading in securities, as may be required.
 - any other surveillance measure as deemed fit in the interest of maintaining the market integrity
 - All the aforesaid actions shall be triggered based on certain criteria and shall be made effective with a very short notice.

- The above surveillance actions are without prejudice to the right of Exchanges and SEBI to take any other surveillance measures, in any manner, on a case to case basis or holistically depending upon the situation and circumstances as may be warranted.
- The members trading in the identified securities either on their own account or on behalf of clients shall be kept under close scrutiny by the exchange and any misconduct shall be viewed seriously.

Additional Surveillance Measure (ASM)

- Securities and Exchange Board of India (SEBI) and Exchanges in order to enhance market integrity and safeguard interest of investors, have been introducing various enhanced pre-emptive surveillance measures such as reduction in price band, periodic call auction and transfer of securities to Trade to Trade category from time to time.
- In continuation to various surveillance measures already implemented, SEBI and Exchanges, pursuant to discussions in their joint surveillance meetings, have decided that along with the aforesaid measures there shall be Additional Surveillance Measures (ASM) on securities with surveillance concerns viz. Price variation, Volatility etc.
- Accordingly, review for identification of securities for placing in ASM Framework has been carried out by the Exchanges. The surveillance actions applicable for the shortlisted securities is as under:
 - Securities shall be placed in Price Band of 5%
 - Margins shall be levied at the rate of 100%
- The shortlisted securities are monitored on a pre-determined objective criteria and would be moved into Trade for Trade segment once the criteria gets satisfied. Market participants may note that ASM framework shall be in conjunction with all other prevailing surveillance measures being imposed by the Exchanges from time to time.

Unsolicited Messages (SMS Stocks)

Clients are advised to remain cautious on the unsolicited emails and SMS advising investor to buy, sell or hold securities and trade only on the basis of informed decision.

- Investors are also requested to share their knowledge or evidence of systemic wrongdoing, potential frauds or unethical behavior through the anonymous portal facility provided on Exchange website and mail at the following addresses:

- invg@nse.co.in
- investigation@bseindia.com
- In recent past, Exchange has come across SMS tips being circulated whereby as a festive bonanza, various stocks are being recommended with higher price targets leading to heightened trading activities in such stocks.
- broker advises their clients to exercise caution towards unsolicited emails and SMS and also request their clients to buy, sell or hold securities and trade only on the basis of informed decision. Clients are further requested not to blindly follow these unfounded rumours, tips etc. and invest after conducting appropriate analysis of respective companies.
- In view of above & as a part of surveillance measure to protect investor's interest and maintain market integrity, Exchange is once again advising members to exercise greater caution with respect to tips / rumours circulated via various mediums such as analyst websites, social networks, SMS, WhatsApp, Blogs etc. while dealing in the securities listed on the Exchange on behalf of their clients.
- The Securities identified by Exchange(s) in which unsolicited SMS are circulated shall be kept suspended and barred from further buying & selling by broker and shall be monitored on regular basis.
- The Clients shall remain cautious on the unsolicited emails and SMS advising to buy, sell or hold securities and trade only on the basis of informed decision.
- broker may in exceptional circumstances, where the Client has dealt in "SMS Stocks, shall withhold the pay-out of funds and/or securities of the Client and/or suspend the Demat Accounts for Debits, without assigning any reasons, to adjust the Traded Value of Trades in such SMS Stocks with retrospective effect and transfer the same to the Designated Bank Account earmarked for this purpose as mandated by Stock Exchange(s)/SEBI from time-to-time and retain the same till directed by the Stock Exchange(s)/SEBI for such release.

Ban Period Security/Exposure margin of security under Market Wide Position Limits (MWPL)

In case a derivative security has breached the market wide position limit of 95% or more it will come into the Ban period. During this period no fresh open position can be allowed in such scripts. Only reduction in existing position can be done. Fresh position can be initiated only when exchange has notified that market wide position limit has reduced below 80%.

Further when a securities has entered in Ban period margins are also increased by clearing corporations.

Clients are requested to monitor the market wide positions limits of their exposure and ensure adequate margins on their positions.

REVIEW OF THE POLICY

This policy is to be reviewed as & when management thinks fit or whenever changes are mandated by statutory authorities. This policy is last updated and reviewed by Board of Director in their meeting held on 31st Day of January 2026.

For Gee Bee Securities Pvt Ltd

Director
Rakesh Kumar Baid