

GSM (Graded Surveillance Measures) – Important Information for Investors

As a SEBI-regulated and bank-based broker, we follow the surveillance guidelines issued by the stock exchanges and regulatory bodies. Below are the key details regarding securities under GSM and IBC surveillance frameworks.

Margin Requirements

Additional Surveillance Deposit (ASD) is levied for trading in certain securities under surveillance. The applicable margins are:

- **GSM Stage 2:** 50% ASD
 - **GSM Stage 3 & 4:** 100% ASD
 - **IBC Stage 1 & 2:** 100% ASD
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Weekly Trading Restriction

Certain securities are permitted to trade **only once a week**, typically on **Monday** or the **first trading day of the week**, if they fall under:

- **GSM Stage 3 or above**
 - **IBC Stage 2**
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GSM Stage 3 Specific Guidelines

Securities under **GSM Stage 3** are subjected to the following restrictions:

- **Trade-for-Trade Settlement:** No intraday or speculative trading allowed.
 - **5% or Lower Price Band:** The stock can move up or down only within the permitted limit.
 - **Weekly Trading:** Allowed only on the first trading day of the week.
 - **100% ASD Requirement:** Buyers must deposit the full trade value in advance.
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What is ASD (Advanced Surveillance Deposit)?

ASD means **100% of the trade value must be deposited in advance** by the buyer before executing a trade.

This ensures:

- Secure and serious transactions
 - Minimization of settlement risks
 - Protection against defaults
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No Upward Movement Policy

Stocks under GSM may be **restricted from upward price movements** to prevent speculation or manipulation.

This means:

- No price rise beyond the allowed price band (e.g., 5%)
 - Controlled volatility to safeguard investor interest
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Summary

Parameter	GSM Stage 3+
Trading Type	Trade-for-Trade [All trades in this segment must be on a one-to-one basis (no speculation)]
Price Band	5% (or lower) [The stock's price can move only within a 5% range up or down from the previous day's closing price]
Trading Frequency	Once a Week (Monday) [Trading is allowed only once a week (usually on Monday or the first trading day of the week)]
Buyer Requirement	100% ASD in Advance [Buyers must deposit 100% of the trade value upfront before the trade is executed.]
Price Movement	No Upward Movement Allowed [The stock is restricted from moving above a specific price or from making speculative upward movements beyond the set price band.]