

POLICY FOR TREATMENT OF INACTIVE ACCOUNTS

GEE BEE SECURITIES PVT LTD

Objective:

The objective of the policy is to appropriately deal with the Inactive/dormant clients, where clients have not traded for continuous period of Twelve months.

The policy is also applicable for accounts which have been marked inactive on account of Rules, Bye laws, circulars and guidelines issued by Sebi, Exchanges and Internal Risk Management Policies.

Background:

SEBI vide circular no. dated December 3, 2009, NSE vide circular no. NSE/INSP/13606 dated December 3, 2009 and NSE/INSP/14048 dated February 3, 2010, BSE notice no. 20091204-7 dated February 4, 2010 directed that a policy be framed by stock brokers to deal with the inactive/dormant accounts. This policy is based on the guidelines and clarifications issued by SEBI and Exchanges regarding the treatment of inactive accounts and ensures uniformity from time to time.

Definition of Inactive Trading accounts:

In case of trading account, the term inactive account refers to such account wherein no trades have been carried out since last 12 (Twelve) months across all Exchanges

Marking of client account as Inactive:

Gee Bee Securities Pvt. Ltd shall carry out periodic review of the client accounts and may the accounts as inactive from trading (i.e. prohibiting any market transactions, only allowing client shares/ledger balance settlement to take place) under any of the following circumstances:

- Where the Client is inactive for the twelve continuous months as defined above.
- Where the Client has not cleared his dues after repeated reminders.
- Where the client is reported or known to have expired.
- Where the account is under investigation by any regulatory body to comply with the legal and regulatory requirements.
- As per direction of the Exchanges, SEBI or any other regulatory body.
- If the action of the client are prima facie illegal/improper or such to manipulate the price of any securities or disturb the normal/proper functioning of the market, either alone or in conjunction with others.
- If the Client is in breach of any term, condition or covenant of this Agreement.
- Any suspicious information found by Gee Bee Securities Pvt. Ltd in regular monitoring of client or if there is any commencement of a legal process against the client under any law in force.
- If the client forms a part of the list of debarred entities published by SEBI and/or any action is taken by NSE/BSE/CDSL/SEBI on the client.
- On written request received from the client and the same can be activated on the written request of the client only.

The inactive accounts identified based on the above criteria shall be flagged as 'Inactive' in UCC database of all the respective Exchanges and any further trading by such client should be allowed only after undertaking sufficient due diligence (including IPV) and obtaining the updated information related to KYC from the concerned Client.

It is further clarified that the requirement for flagging the client as inactive in the UCC database of the Exchanges and the exemption for reporting (weekly submission of securities holding and monthly upload of client funds and securities balances) shall continue to be applicable if no trades are carried out by the client in the last 12 (Twelve) months across all Exchanges.

Process for reactivation of Inactive / dormant account which are inactive for 12 continuous months:

If the client wants to make the account active after 12 continuous months the client needs to submit a request to reactivate his/her account. In case there is any change in the information in the mandatory 6 attributes provided in KYC at the time of registration as client, the same has to be submitted along with the request. After appropriate due diligence of the client is conducted and records are updated as required by the regulatory guidelines for KYC verification, the account can be made active and transaction can take place. However, in case a client has undertaken a transaction through the Gee Bee Securities Pvt. Ltd, with respect to IPO/Mutual Fund subscription and DP operations during this period, the same can be considered and the requirement for fresh documentation, due diligence, and IPV may not be required.

Further, in case a client seeks re-activation before a period of 1 year of being flagged as inactive, while reactivating the client, it will be ensured that the basic details of such client like Address, Mobile number, Email ID, Bank/DP account are updated in its records as well in the UCC records of the Exchange. In case of any changes, necessary documents shall be collected and updated.

The Client can follow any of the below processes:

1. Client can send the request in reactivation form through email to customer support email id geebeesec@yahoo.com from registered mail id for reactivation request along with: • officially valid documents for Address Proof and Identity Proof. • Financial Information is required for financial record update.

Return of Clients assets:

Gee Bee Securities Pvt. Ltd shall ensure that all client accounts are settled on 30 or 90 days basis (as per the client preferences) in the manner prescribed from time to time. In case a Gee Bee Securities Pvt. Ltd is unable to settle the client accounts due to non-availability of client's bank account and demat account details and non-traceability of client, Gee Bee Securities Pvt. Ltd shall make all efforts to trace the clients to settle their funds and securities lying with them and maintain an audit trail for such efforts made for tracing such clients and settling funds and securities of such clients. Further in cases where Gee Bee Securities Pvt. Ltd are unable to trace such clients in spite of all efforts taken, we shall immediately set aside the funds and securities of these clients in a separate Client Bank/demat account with proper audit trail of UCC wise client funds transferred to/from such bank account and UCC wise / BO ID wise securities transferred to/from such demat account (as the case may be). In case of receipt of any claims from such

clients, Gee Bee Securities Pvt. Ltd shall settle the accounts immediately and ensure that the payment/delivery is made to the respective clients only.

Reporting of client Funds & Securities:

Gee Bee Securities Pvt. Ltd will not be required to upload the details of such inactive clients having NIL balances in their weekly/daily submission of fund/securities holding to the Exchange. However, details of clients having funds or securities balances shall be reported even if their UCC has been flagged as 'Inactive'.

Controls after activation of Inactive Accounts:

1. Alert generation & monitoring in case of trade in any Inactive account which is made Active.
2. To ensure that appropriate due diligence of the client is conducted on an ongoing basis in compliance with the provisions of the PMLA guidelines issued from time to time and in accordance with their respective KYC policies.

Review Policy:

This policy may be reviewed annually or as and when there are any changes introduced by any statutory authority or as and when it is found necessary to change on account of business needs and Risk Management policy.