

DRAFT POLICY

Policy for Voluntary Freezing/Blocking of Online Trading Accounts

1. Introduction

This policy outlines the framework and procedures for clients to voluntarily freeze/block and unfreeze/unblock their online trading accounts due to suspicious activities. This policy is part of the Risk Management Policy of [Trading Member's Name] and is in accordance with SEBI Circular No. SEBI/HO/MIRSD/POD-1/P/CIR/2024/4 dated January 12, 2024, and NSE Circular No. NSE/INSP/61529 dated April 08, 2024, BSE Notice No: 20240408-12 dated 08/04/2024, MCX Circular: MCX/INSP/218/2024 dated 09/04/2024 and NCDEX Circular; NCDEX/COMPLIANCE-025/2024 dated 09/04/2024.

2. Modes of Request

Clients may request to freeze/block their trading accounts using the following communication methods if any suspicious activity is observed.

- Email from registered e-mail ID
- SMS from registered mobile number
- Visit at nearest branch or HO and submit physical request.
- Any other legally verifiable mechanism

The designated email ID and SMS for this purpose is: stoptrade@navkardirect.com / 9879613338.

3. Request Handling Procedure

Upon receiving a request to freeze/block an account:

- We shall validate the request from the registered contact details or use a client authentication procedure (2-Factor Authentication).
- We shall issue an acknowledgement and freeze/block the account within the prescribed timeline:
 - **During trading hours or 15 minutes before trading starts:** Within 15 minutes.
 - **After trading hours or 15 minutes before trading starts:** Before the next trading session begins.

We shall simultaneously cancel all pending orders of the client.

4. Post Freezing Actions

After freezing/blocking the account:

- We shall notify the client via registered mobile number and e-mail ID that their account access has been frozen/blocked and all pending orders have been cancelled.
- We shall communicate details of open positions and contract expiry information within one hour to avoid unwanted delivery settlement.

5. Record Maintenance

We shall maintain logs of requests received, confirmations issued for freezing/blocking, and communications sent to clients.

6. Accountability

We shall be responsible for any trades executed from the time of receiving the request until the account is frozen/blocked if the process is not completed within the prescribed timeline as specified in Para 3 herein.

7. Re-enabling Account Access

To unfreeze/unblock the account, we shall:

- Conduct necessary due diligence i.e Request received from client itself, via appropriate channel i.e Through Registered Email or Mobile or Written duly signed by client, etc.
- Validate the client's request.
- Unfreeze/unblock the account access after verification.

8. Clarifications

- Freezing/blocking only restricts online access to the client's trading account; it does not impact the Risk Management activities.
- The request for freezing/blocking does not mark the client's Unique Client Code (UCC) as inactive in Exchange records.

9. Policy Disclosure

This policy will be:

- Disclosed on our website along with the process and timelines for account freezing/blocking and unfreezing/unblocking.
- Included in the account opening kit for new clients from July 01, 2024.
- Communicated to existing clients by July 01, 2024, via email or other suitable mechanisms that can be preserved. In cases of bounced/undelivered communication, alternate channels such as physical delivery, SMS, or electronic instant messaging services will be used.

Formats of Communication

A. Request Letter Format

Subject: Request for Freezing/Blocking of Trading Account

To,
NAVKAR SHARE & STOCK BROKERS PVT. LTD.
201/A, Shivalik Corporate Park,
B/h. IOC Petrol Pump,
Satellite, Ahmedabad-380015

Dear Sir/Madam,

I, **[Client's Name]**, holding trading account number **[Unique Client Code]** with you, request the freezing/blocking of my trading account due to suspicious activities noticed.

Please take necessary action to freeze/block the online access to my trading account immediately.

Thank you.

Sincerely,
[Client's Name]
[Client's Contact Number]
[Client's Email ID]
