



## Innovate Securities Pvt. Ltd.

1st Floor, "Devashish", 39, Sardar Patel Nagar Road, Near Nest Hotel, Ellisbridge, Ahmedabad-380 006.  
Phone : 079-26474500 E-mail : innovate95@rediffmail.com, www.innovatesec.com CIN : U67120GJ1993PTC020487

Member : NSE/BSE-CM Segment & Derivative Segment  
SEBI No. INZ000224735

Depository Participant :  
Central Depository Services (India) Limited  
SEBI NO : ID-DP-CDSL-594-2021

### **POLICY ON VOLUNTARY FREEZING/BLOCKING THE ONLINE ACCESS OF THE TRADING ACCOUNT TO THEIR CLIENTS**

(As per SEBI Circular No. SEBI/HO/MIRSD/POD-1/P/CIR/2024/4 dated January 12, 2024)

#### **BACKGROUND**

As per SEBI Circular no. SEBI/HO/MIRSD/POD-1/P/CIR/2024/4 dated January 12, 2024 and Exchange Circular no. NSE/INSP/60277 dated January 16, 2024 on the subject "Ease of Doing Investments by Investors - Facility of voluntary freezing/ blocking of Trading Accounts by Clients.

In accordance with the SEBI Circular dated 12<sup>th</sup> January, 2024, Innovate Securities Pvt. Ltd. shall frame a policy in line with the above mentioned frame work, which shall be the part of the Innovate Securities Pvt. Ltd. 's Risk Management Policy.

Innovate Securities Pvt. Ltd. shall disclose on our website along with the process and mode(s) through which the client can place the request to freeze / block & unfreeze / unblock the trading account along with the timelines that will be followed by the Innovate Securities Pvt. Ltd. for the same.

With respect to new clients, the policy formed hereunder shall be form part of account opening kit.

At present Innovate Securities Pvt. Ltd. has not providing online access to the clients.

#### **FRAMEWORK**

The framework for Trading Members ISPL for providing the facility of voluntary freezing/ blocking the online access of the trading account to their clients on account of suspicious activities as finalized by the Brokers' Industry Standards Forum in consultation with the Exchanges is as follows:

- Online access provided by the ISPL: to the clients, which is available to the clients at least two modes of the following communication through which the client may request for voluntary freezing / blocking the online access of trading account if any suspicious activity is observed in the trading account:-
  - a. Email from Registered E-Mail Id
  - b. SMS from Registered Mobile No
  - c. IVR/tele calling





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- The dedicated e-mail ID/ telephone number for receipt of communication for voluntary freezing/ blocking of the online access of the clients' trading account are as under.

The nomenclature of the dedicated e-mail Id is [stoptrade@innovatesec.com](mailto:stoptrade@innovatesec.com), telephone number 079-26474500

- ISPL shall take the following actions on the receipt of request through any modes of communications as provided by the ISPL for freezing/blocking of the online access of the trading account from the client:
  - a. Validate that the request is received from the client as per below point and issue the acknowledgement as well as freeze/block the online access of the client's trading account and simultaneously cancel all the pending orders of the said client. The timelines for freezing/ blocking of the online access of the clients' trading account is as under: -

Scenario	Timelines for issuing acknowledgement as well as freezing / blocking of the online access of the trading account.
Request received during the trading hours* and within 15 minutes before the start of trading.	Within 15 minutes**
Request received after the trading hours and 15 minutes before the start of trading.	Before the start of next trading session

### Trading hours shall be as follows:

\* Capital Market Segment: 9.15 a.m. to 3.30 p.m., Equity Derivatives Segment: 9.15 a.m. to 3.30 p.m.,

\*\*To begin with, the time limit of 15 minutes is being specified for the purpose of issuing acknowledgement as well as freezing/blocking of the online access of the trading account. This time limit shall be contracted after a review in next six months after the date of its applicability to enhance protection of investors from suspicious activities.







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- b. Post freezing/blocking the client's trading account, send a communication on the registered mobile number and registered e-mail ID of the client, stating that the online access to the trading account has been frozen/blocked and all the pending orders in the client's trading account, if any, have been cancelled along with the process of re-enablement for getting the online access to the trading account.
- c. Details of open positions (if any) should also be communicated to the client along with contract expiry information within one hour from the freezing/blocking of the trading account. This will eliminate the risk of unwanted delivery settlement. This time limit shall be contracted after a review in the next six months after the date of its applicability to enhance protection of investors from suspicious activities.
- The ISPL shall have a mechanism in place to validate that the request for freezing/blocking of the online access of the trading account is received from the respective client only. This can be done by the ISPL by:
  - a. verifying whether request is received from the registered phone number/e-mail Id of the client; or where request is received from other than registered phone number/e-mail Id of the client, ISPL have a client authentication procedure (2 Factor Authentication) in place or
  - b. Following any other process as may be prescribed by the Exchange(s) uniformly in consultation with SEBI, from time to time.
- ISPL shall maintain the appropriate records/logs including, but not limited to, request received to freeze/block the online access of trading account, confirmation given for freezing/blocking of the online access of the trading account and cancellation of pending orders, if any, sent to the clients.
- In case of failure of the ISPL in freezing/ blocking the online access within the prescribed timelines ( 15 minutes in case the request is received during the trading hours and within 15 minutes before the start of trading / Before the start of the next trading session in case the request is received after the trading hours and 15 minutes before the start of the trading), ISPL shall be responsible for any trades





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executed from the time of receipt of such request till such time the online access is blocked / frozen.

- **Re-enabling the client for online access of the trading account:** - ISPL shall re-enable the online access of trading account after carrying out necessary due diligence including validating the client request and unfreezing / unblocking the online access of the trading account.
- It is clarified that;
  - a. Freezing/blocking is only for the online access to the client's trading account, and there shall be no restrictions on the Risk Management activities of the ISPL.
  - b. The request for freezing/ blocking does not constitute request for marking client Unique Client Code (UCC) as inactive in the Exchange records.

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