

POLICY ON VOLUNTARY FREEZING / BLOCKING AND RE-ENABLING OF TRADING ACCOUNT

Pursuant to SEBI Circular dated January 12, 2024

Effective Date: As per SEBI Circular | **Classification:** Mandatory Compliance | **Applies to:** All Trading Clients

1. INTRODUCTION

This Policy on Freezing and Unfreezing of Trading Account is framed in accordance with SEBI Circular No. SEBI/HO/MIRSD/POD-1/P/CIR/2024/4 dated January 12, 2024, issued by the Securities and Exchange Board of India (SEBI). This policy is framed in exercise of powers conferred under Section 11(1) of the SEBI Act, 1992 read with Regulation 30 of SEBI (Stock Brokers) Regulations, 1992.

SKYWARDS INVESTEC PRIVATE LIMITED is a company incorporated under the Companies Act, 2013 bearing **CIN U66190KA2023PTC181246**. The Company is registered with the Securities and Exchange Board of India (SEBI) as a Stock Broker (**Registration No. INZ000315235**) and is a Trading Member of BSE Limited (**Member Code: 6953**) and National Stock Exchange of India Limited (**Member Code: 90340**) and Clearing Member of National Clearing Corporation Limited.

Skywards Investec Private Limited is also a SEBI-registered Depository Participant with Central Depository Services (India) Limited (DP Registration No. DP ID 12104200).

2. PREAMBLE

In order to enhance investor protection and strengthen safeguards against unauthorized or suspicious activities in trading accounts, the Securities and Exchange Board of India (SEBI) has mandated that stock brokers provide a facility for voluntary freezing/blocking of online access to trading accounts, vide Circular No. SEBI/HO/MIRSD/POD-1/P/CIR/2024/4 dated January 12, 2024.

Accordingly, **Skywards Investec Private Limited** ("the Company"), being a SEBI-registered Stock Broker and Trading Member of BSE Limited and National Stock Exchange of India Limited, has formulated this Policy on Freezing and Unfreezing of Trading Accounts.

This Policy sets out the mechanism, timelines, and procedural framework for enabling clients to voluntarily freeze/block and subsequently re-enable their trading accounts, ensuring prompt action, transparency, and regulatory compliance while safeguarding client assets and market integrity.

3. APPLICABILITY

This policy shall be applicable to all clients of the Trading Member who are provided online trading access.

4. SCOPE

This Policy shall apply to all clients of Skywards Investec Private Limited who are provided online trading access through the Company's trading platform(s).

The Policy covers:

The facility for voluntary freezing/blocking of online access to trading accounts at the request of clients in case of suspected unauthorized or suspicious activities.

- The modes of submitting such requests.
- The timelines for processing and acknowledgement of requests.
- The actions to be taken by the Company upon receipt of a freezing/blocking request.
- The procedure for re-enabling trading access upon client request.

This Policy is implemented in compliance with SEBI Circular No. SEBI/HO/MIRSD/POD-1/P/CIR/2024/4 dated January 12, 2024, and applicable guidelines issued by BSE Limited and National Stock Exchange of India Limited from time to time.

5. Modes of Request for Freezing / Blocking

A client may request voluntary freezing/blocking of their trading account through any of the following modes:

- Registered Email ID of the client
- Registered Mobile Number (via SMS / WhatsApp / official messaging channel, if enabled)
- Written request submitted at the registered office/branch
- Through secured login-based request on the trading platform (if enabled)
- Any other mode as may be notified by the Company from time to time

Requests shall be accepted only from registered contact details available in Company records.

6. Acknowledgement of Request

- I. Upon receipt of the request, an acknowledgement shall be issued to the client:
 - Immediately in case of system-based request
 - Within 15 minutes during trading hours for email/SMS requests
- II. The acknowledgement shall contain:
 - Date and time of receipt of request
 - Unique reference number
 - Confirmation that the request is being processed

The timelines for freezing/ blocking the online access of the client's trading account are as under:

Scenario	Timelines for issuing acknowledgment as well as Freezing/blocking of the online access of the trading account.
Request received during the trading hours and up to 15 minutes prior to commencement of trading.	Within 15 minutes from the time of receipt of such request.
Request received after trading hours or less than 15 minutes prior to commencement of trading.	Before the commencement of the next trading session

7. Scope and Effect of Freezing

Upon freezing/blocking:

- Online access to the trading account shall be disabled.
- Fresh trades shall not be permitted.
- Modification/cancellation of pending orders shall be allowed as per risk management norms.
- Funds and securities shall remain safe and shall not be transferred without due authorization.

Freezing shall not affect:

- Settlement of already executed trades.
- Pay-in / pay-out obligations.
- Regulatory reporting obligations.

8. Action taken by Trading Member on receipt of request

Upon receipt of request:

- a. Verify client identity through registered credentials.
- b. Immediately disable trading login access.
- c. Inform RMS and Compliance Department.
- d. Monitor the account for any suspicious transactions prior to freezing.
- e. Maintain audit trail of:
 - Request received
 - Time of action taken
 - Person/system processing the request

If suspicious transactions are detected, necessary internal review and reporting shall be initiated as per regulatory requirements.

9. Process for Re-Enabling the Trading Account

Re-activation of a trading account that has been voluntarily frozen/blocked shall be carried out strictly in accordance with regulatory requirements and internal control procedures to ensure security of client assets and prevention of unauthorized access.

A. Mode of Request

The client shall submit a request for re-enabling the trading account through any of the following approved modes:

- Registered email ID
- Written request duly signed by the client
- Secure login-based request (if enabled)
- Any other authenticated mode as approved by the Company

Requests shall be accepted only from registered contact details available in Company records.

B. Identity Verification

Prior to re-activation, the Company shall conduct necessary verification, which may include:

- Validation of registered mobile number and email ID
- OTP-based authentication
- Verification call to the client on registered mobile number
- Signature verification (in case of written request)
- Additional due diligence in case suspicious activity was previously observed

Re-activation shall not be processed unless the identity of the client is satisfactorily verified.

C. Security Controls Before Re-Activation

Before restoring trading access, the Company shall:

- Reset trading password and/or require mandatory password change
- Enforce Two-Factor Authentication (2FA) validation
- Review recent transactions, if any, prior to freezing
- Ensure no pending risk, compliance, or surveillance alerts remain unresolved

Where required, enhanced due diligence may be conducted by the Risk Management/Compliance team.

D. Timeline for Re-Activation

Upon receipt of a valid request and completion of verification and security checks, the trading account shall be re-enabled within one (1) working day.

In case additional verification is required, the client shall be informed of the expected timeline.

E. Client Intimation

Upon successful re-activation:

- Confirmation shall be sent to the client through registered email and/or SMS.
- The communication shall include date and time of re-activation.

F. Record Maintenance for re-enabling

The Company shall maintain complete audit trail of:

- Re-activation request received
- Time of receipt
- Verification steps undertaken
- Time of re-activation
- Name/designation of person/system executing the action

Such records shall be preserved in accordance with applicable regulatory record retention requirements and shall be made available for inspection by BSE Limited, National Stock Exchange of India Limited, or SEBI, as and when required.

10. Client Communication

A. The Company shall

Inform clients about availability of this facility through:

- Website disclosure
- Email communication
- SMS/Notification on trading platform
- Client onboarding documents

B. Display the process prominently on the website under “Investor Services / Investor Protection”.

11. Record Maintenance

The Company shall maintain:

- Log of all freezing/unfreezing requests
- Timestamp records
- Communication copies
- Action taken reports

Records shall be preserved as per regulatory record retention requirements.

12. Reporting & Compliance

The Company shall comply with:

- Guidelines issued by Stock Exchanges under the framework laid down pursuant to SEBI circular.
- Reporting requirements as prescribed by Stock Exchanges from time to time.

Compliance Officer shall be responsible for monitoring implementation of this policy.

13. Review of Policy

This policy shall be reviewed periodically or as and when required due to regulatory changes.

14. Approval Authority

This Policy is approved by the Board of Directors and shall be effective from **7th November 2025**.