

## **POLICIES & PROCEDURE**

ISF Securities Ltd. (hereinafter referred to as ISF) is a member of the National Stock Exchange (NSE) & Bombay Stock Exchange (BSE) in the Equity, Equity Derivatives and Currency Derivatives segment and Depository Participant with CDSL having its registered office at 5A/4B, Ansari Road, Darya Ganj, New Delhi - 110002 India.

The brand name MoneyIsle (Trademark application filed before the Registrar of Trademarks, Delhi, awaiting final registration approval) is owned by ISF Securities Ltd.

For the purpose of these Policies & Procedures, wherever the context so mentions "Client", "You" or "Your", it shall mean any natural or legal person who has agreed to open an account or initiate the process of opening an account with ISF by providing their information while registering on the platform as a user. ISF allows any person to surf the website without registering on the website. The term "We", "Us", "Our" and "Team ISF" shall mean M/s ISF Securities Ltd.

### **D) RMS Policy**

#### **System of Payin and Payout of funds:**

**Payin:** Clients can transfer funds into the Trading Account only from such bank accounts which are registered with ISF. Any transfer from a non-registered bank account will not be considered and the client does not get any trading limit credit for such transfers.

The client can transfer funds from the instant payment gateway facility available on the trading platform, backoffice or from the website. Such transfers will be charged at ₹9 + GST per transfer.

If a client chooses to transfer using NEFT or by means of cheque, there will be no cost.

If the client transfers funds via cheque, the details of the transfer along with a copy of the cheque should be made available to ISF for the credit to be updated on the trading account.

**Payout:** All payouts will have to be compulsorily placed on the Backoffice access provided to the clients. All payout requests will be processed electronically and the credit shall come to the client's primary bank account within 24 hours of having processed the payout request.

Withdrawal requests for EQ/Currency will be processed at 8:30 PM on working days. If you place a withdrawal request before 8:30 PM, the money will be credited to your account the next bank working day. If you place a withdrawal request after 8:30 PM, it will be processed on the next working day and you will receive the funds in 48 hours.

Payout windows are closed on Saturday and Sunday - this means if you place a request on Saturday or Sunday or after 8:30 PM on Friday, it will be honored only on Monday.

### **Margins**

**Client Funding:** ISF does not engage in the business of Client Funding. Clients are required to have sufficient balance in their accounts to hold/carry forward positions.

**NSE/BSE Equity:** ISF has a policy of giving up to 5 times exposure on a broad spectrum of stocks; no margin is given for delivery trades. The client needs to have enough money in his trading account to take delivery of shares failing which ISF can cut the position.

**NSE/BSE Futures and Options:** ISF does not engage in the business of Client Funding. Clients are required to have sufficient balance in their accounts to hold/carry forward positions. Leverage provided here is subject to market conditions and changes in its proportion are dynamic.

**Cover Orders:** Currently available for NSE/BSE/CDS Equity and FO typically the margin benefit under this is higher relative to MIS positions.

Intraday products (MIS/BO/CO) square off timings:

Item	Equity/Cash	Equity derivatives	Currency futures
Intraday Margin Time (MIS and CO)	3:20 PM onwards	3:25 PM onwards	4:45 PM onwards

\*Note: Intraday square off timings can change based on the discretion of our risk management department.

#### Note

- An order placement charge of ₹100 plus GST will be levied for all OFS.
- Option premium received from writing options will not be considered as Cash/Capital.
- MIS is not available on currency options.
- Cover Order is not available for stock options.
- Positions which do not have sufficient funds can be cut any time at the discretion of our RMS desk. There will be no margin calls or intimation from our RMS desk.
- Any open positions can be squared off at the discretion of our RMS desk If the funds available in your account are short of exchange specified margins. There will be no margin call before the position is squared off. During times of extreme volatility, the loss could be more than the funds available in your account before the position is squared off. All resulting charges or debts that might occur from such square offs will have to be borne by the client.
- Collateral margin will not be considered for equity delivery positions.
- All BO, CO and MIS positions will automatically be squared off at the end of the each trading day.
- Basket orders will not be allowed on penny stocks.
- Basket Orders will be allowed only on orders which are over ₹25,000 in turnover per leg.
- AMO (After-Market Orders) will be allowed only if the value of each order is above ₹25,000.
- AMO will be cancelled if the price entered is more than 10% away from the LTP in either direction.
- Fines levied by the exchange for short margin will be payable by the client.
- Clients will have to ensure all Co, Mis, and intraday products are closed by the EOD.
- BO and CO is not allowed in preopen for Equities.
- On the start of the delivery intention period, clients will not be informed before closing any open positions to avoid compulsory delivery notice. Clients are advised to close their positions well in advance.
- Instruments available for trading at ISF are subject to the discretion of the risk management team, and these may change from time to time for various reasons.

All information mentioned here is subject to change at the discretion of our Risk management team.

## **Collateral margins**

- For all pledge requests placed before 4:00 PM, the collateral margin will be available to trade on T+1 day (next working day). All requests placed after 4:00 PM will be processed only on the next working day.
- Margins will be provided after the applicable haircut. A haircut of 10% would mean that if you pledged stocks worth Rs 1 lakh, Rs 90,000 (90% of 1 lakh) will be added as collateral margin to your trading account.
- You will be able to use this entire margin after haircut for taking intraday or overnight positions in Futures, and for writing Options of equities, indices, and currencies. You will not be able to use this margin to buy Options or take further positions on the equity segment.
- Exchanges stipulate that for overnight F&O positions, 50% of the margin needs to compulsorily come in cash and the remaining 50% can be in terms of collateral margin. If you don't have enough cash, your account will be in debit balance and there will be an delayed payment (interest) charges charge applicable on the debit amount. So, if you take positions that requires a margin of Rs 1 lakh, you will need at least Rs 50,000 in cash irrespective of how much collateral margin you have. Assuming you don't have this Rs 50,000, whatever you are short by will be the debit balance for the day, and delayed payment (interest) charges will be applicable for that amount. You can check [this link](#) to know more on how the delayed payment (interest) charges will be computed.
- Liquid bees are considered as cash equivalents by the exchange, so the above 50% rule wouldn't apply. So margin received from pledging liquid bees will be as good as having cash in your trading account.
- All delayed payment (interest) charges accumulated will be debited once every month on the ledger.
- All pledged stocks will be debited from your demat account until they are unpledged again. The entire process of pledging and unpledging will cost Rs 70 plus GST per scrip irrespective of the quantity. So if you pledge 100 shares of Infosys and 200 shares of Reliance, the total cost (pledging + unpledging) will be Rs 140 plus GST (Rs 70 x 2). This charge will be debited from your ledger the day you place the pledge request.
- You will continue to get benefits of all corporate actions like dividends, splits, bonuses, etc. on the stocks you have pledged.
- This facility is available only for those clients who have opened a demat account through ISF with PoA duly mapped to ISF. It is not available for non PoA accounts.
- ISF reserves the right to liquidate any stock in case debit arises in the client's account and subsequent non payment of such debits.
- ISF reserves the right to make any changes in the policy with due intimation to the client.

## **II) Policy for Penny Stocks**

A stock that trades at a relatively low price and market capitalization. These types of stocks are generally considered to be highly speculative and high risk because of their lack of liquidity, large bid-ask spreads, small capitalization and limited following and disclosure. Depending on the market condition and RMS policy of the company, the stock broker reserve the right to refuse to provide the limit in Penny stocks and losses if any on account of such refusal shall be borne by client only.

### III) Policy for Inactive Client account

Client account will be considered as inactive if the client does not trade for period of one year. Calculation will be done at the beginning of every month and those clients who have not traded even a single time will be considered as inactive, the shares/ credit ledger balance if any will be transferred to the client within one week of the identifying the client as inactive. The client has to make written request/ via electronic mode through Re-KYC for reactivation of their account. Trading in Exchange is in Electronic Mode, based on leased line and Internet, combination of technologies and computer systems to place and route orders. I/We understand that there exists a possibility of communication failure or system problems or slow or delayed response from system or trading halt or any break down in our back office/ front end system, or any such other problems/glitch whereby not being able to establish access to the trading system/network, which may be beyond your control and may result in delay in processing or not processing buy or sell Orders either in part or in full. I/We shall be fully liable and responsible for any such problem/fault.

### IV) Policy for Delayed payment charges:

ISF follows the practice of posting the settlement obligation towards their transaction in the client ledger on the settlement date. All clients are advised to make the payment before the pay-in time on the settlement day, though there are instances wherein client may delay the payment beyond the settlement date. Although, it is obligatory for a broker to meet the settlement obligation in time, therefore, in order to ensure timely receipt of funds from clients towards their payment obligation, “charges for delayed payment” are levied in the client’s account. The sum towards “charges for delayed payment” is levied to discourage delayed payment from clients who do not deposit the required sum of money before the payin time on the payin day. “Charges for delayed payment” are levied on the respective ledger debit of the clients at a rate of 18% per annum of the debit balance in the account. For the purpose of reckoning debit balance, the debit balance in the client ledger is consolidated across all segments of the respective exchange after giving effect to the release of margin.

In the Equity Derivative Segment and Currency Derivative Segment, we accept the approved securities from clients for margin purpose. Exchanges stipulate that for overnight F&O positions, 50% of the margin needs to compulsorily come in cash and the remaining 50% can be in terms of collateral margin. If you don’t have enough cash, your account will be in debit balance and there will be an interest charge also called delayed payment charges of 18% per annum applicable on the debit amount. So assume you take positions that require a margin of Rs 1 lakh, you will need at least Rs 50,000 in cash irrespective of how much collateral margin you have. Assuming you don’t have this Rs 50,000, whatever you are short by will be the debit balance for the day, and interest will be applicable for that amount. Liquid bees are considered as cash equivalents by the exchange, so the above 50% rule wouldn’t apply. So margin received from pledging liquid bees will be as good as having cash in your trading account.

**Contract notes and margin statement:** ISF will issue contract notes & margin statements to its clients within 24 hours of the trade taking place. Along with the Contract Note, the client shall also be furnished with a copy of the daily margin status which is also available to be viewed on their respective Backoffice Personal Ledger.

**Demat accounts:** ISF will maintain client’s securities in a designated account called the Client Beneficiary Account. The clients’ and ISF’s own securities will not be mixed with each other. A client who wants to fully engage in trading in the Delivery Segment of NSE/BSE, will have to compulsorily open an account with ISF Securities Ltd.

**Trades:** The trades of clients shall be carried out in the respective client code only. The dealers shall take utmost care while executing the trades of the clients regarding the accuracy of Client Code, Quantity, Price, etc.

**Closing of accounts/dormant account:** The Clients account shall be closed upon a specific request from the client. The closure shall be effective only after a period of one month has elapsed from the date of application/intimation or the date of settlement of account whichever is later.

Settlement of account shall mean that there is no outstanding balance of shares or funds in the books of the client and ISF and the same is confirmed by the client. The date of confirmation shall be the effective date of settlement. As far as dormant accounts are concerned, we do not close such accounts, but mark the same as “Inactive” till further action by the concerned client.

**Investor grievances:** The Compliance Officer shall be the designated officer for handling the Investors Grievances and Client Complaints. The email ID you can write to in case you have any grievance is [complaints@moneyisle.in](mailto:complaints@moneyisle.in).

The resolution of the Complaint shall be done at the earliest and the same shall be recorded in the register along with the date of resolution.

## **V) Policy for Security precaution and password**

ISF will provide the client with a username and a trading password which will enable him to avail of the facilities of Online Trading through the ISF website, over the telephone or in any such other manner as may be permitted by ISF for availing of the services. ISF will also provide the client with the username and password for accessing its back-office for various reports, etc. All terms regarding the use, reset and modification of such password shall be governed by information on the website.

Our trading terminal system have a stringent Two-Factor authentication (2FA) secure system for every client to enter into their login ID using their Client ID and Password, along with a 6 digit PIN OR Authentication via apps such as Google Authenticator set by the Client himself/herself. This 2FA mechanism is set in place as per SEBI & Exchange guidelines with respect to Internet Based Trading Rules.

Each GraphUp (MoneyIsle mobile/ web trading application) Password has a 2FA system in place for a secure login experience by each client. After a client enters his/her Client Id, he/she is required to enter his/her (i) Password; and (ii) a 6 digit unique PIN set by the Client him/herself. A link to create Password & 2FA are sent to all clients along with the welcome email while opening an account. This Password and 2FA set by each client, is unique to him/her, and is not known to anybody else apart from the client him/herself. Passwords and 2FA credentials are privileged information, and must be kept in high secrecy by each client and not shared with anybody else.

As per instructions from SEBI & the Depositories, we are also required to obtain the above stated Two-Factor Authentication (2FA) for all such sell transactions where shares are debited from the demat account using the Online DIS route. Therefore, the same PIN set by You for Your GraphUp trading terminal login, will be required to be inputted by You each time during a debit/sell transaction from your holdings from Your demat account via GraphUp. This will be required only if You are using the Online DIS route and not if you have submitted the physical Power of Attorney, that can be found here.

For Call & trade, each and every client is required to mention the last 4 digits of his/her Client ID along with his/her trading client code which can only be seen inside his/her trading account, that can be entered into by the client him/herself only after entering the Client ID, Password, 2FA.

Any Password can be reset by the You at any point of time, by selecting the 'Forgot Password' link under the login area. As soon as You select the 'Forgot Password' link, a reset link is sent to Your registered email ID, where the same process of setting a unique password is followed.

The Client shall be responsible for keeping the Username and Password confidential and secure and shall be solely responsible for all orders entered and transactions done by any person whosoever through ISF's Online Trading System using the Client's Username and/or Password whether or not such person was authorised to do so.

The Client shall immediately inform ISF of any unauthorised use of the Client's Username or Password with full details of such unauthorised use including the date of such unauthorised use, the manner in which it was unauthorisedly used, the transactions effected pursuant to such unauthorised use, etc.

The Client acknowledges that he is fully aware of and understands the risks associated with availing of online trading services through internet including the risk of misuse and unauthorised use of his Username and/or Password by a third party and the risk of a person hacking into the Client's account on ISF's Online Trading System and unauthorisedly routing orders on behalf of the Client through the System. The Client agrees that he shall be fully liable and responsible for any and all unauthorised use and misuse of his Password and/or Username and also for any and all acts done by any person through ISF's Online Trading System on the Client's Username in any manner whatsoever.

Without prejudice to the provisions mentioned herein above, the client shall immediately notify ISF in writing with full details if: he discovers or suspects unauthorised access through his Username, Password or Account, he notices discrepancies that might be attributable to unauthorised access, he forgets his password or he discovers a security flaw in ISF's Online Trading System.

### **Client Acceptance of Policies and Procedures stated herein above**

I/We have fully understood the same and do hereby sign the same and agree not to call into question the validity, enforceability and applicability of any provision/clauses of this document under any circumstances what so ever. These Policies and Procedures may be amended / changed unilaterally by the broker, provided the change is informed to me / us with through any one or more means or methods. I/we agree never to challenge the same on any grounds including delayed receipt / non receipt or any other reasons whatsoever. These Policies and Procedures shall always be read along with the agreement and shall be compulsorily referred to while deciding any dispute / difference or claim between me / us and stock broker before any court of law / judicial / adjudicating authority including arbitrator / mediator etc.