

May 31, 2022

The Manager, Listing Department, BSE Limited, Phiroze Jeejeebhoy Tower, Dalal Street, pMumbai 400 001. Tel no.: 22721233 Fax No.: 22723719/ 22723121/ 22722037 BSE Scrip Code: 542773	The Manager, Listing Department, The National Stock Exchange of India Ltd., Exchange Plaza, 5th Floor, Plot C/1, G Block, Bandra - Kurla Complex, Bandra (E), Mumbai 400 051. Tel No.: 2659 8235 Fax No.: 26598237/ 26598238 NSE Symbol: IIFLSEC
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Sub: Clarification on news item appearing in Media

Dear Sir(s)/Madam(s),

This is with reference to the recent news item which appeared in “moneycontrol.com” dated May 30, 2022 captioned “Sebi slaps fine of Rs 1 crore on IIFL for misusing client funds”.

In relation to the above, we would like to furnish our clarification in continuation with our response letter dated May 25, 2022. We would like to state that SEBI carried out separate inspections for different periods viz. 2011 – 2014 and 2015 - 2017 to verify the compliance relating to the monitoring of clients’ funds.

With regard to SEBI Order Ref. No. Order/PM/PA/2022-23/16602 dated May 30, 2022, the same is with respect to very old SEBI inspection conducted in 2017, wherein although the inspection was for the period April 2015 to January 2017, SEBI applied the new methodology prescribed vide SEBI Circular on Enhanced supervision dated September 26, 2016 (which was effective from July 1, 2017) regarding monitoring of clients’ funds calculation retrospectively. Accordingly, the Company responded that the allegations are improper and not in line with the industry wide practice followed since 1993 to June 30, 2017 by all the brokers.

The Company submitted that there was always adequate surplus of own funds lying in clients’ pool account/and exchange settlement account and margins with exchanges on all the particular days as per the erstwhile practices followed by all the brokers as demonstrated in our replies.

The Company further submitted that it had always issued pay-outs to the clients as per the clients’ request/ settlement periods and there has been no instance observed by SEBI or Exchanges’ wherein we were unable to make payment to the clients due to insufficiency of funds.

Kindly take the same on record and oblige.

Thanking You,

Yours faithfully,

For IIFL Securities Limited



**Meghal Shah
Company Secretary
Place: Mumbai**

IIFL Securities Limited

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