

BrokerCheck Report

IIFL CAPITAL INC.

CRD# 149073

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When communicating online or investing with any professional, make sure you know who you're dealing with. [Imposters](#) might link to sites like BrokerCheck from [phishing](#) or similar scam websites, or through [social media](#), trying to steal your personal information or your money.

Please contact FINRA with any concerns.

About BrokerCheck®



BrokerCheck offers information on all current, and many former, registered securities brokers, and all current and former registered securities firms. FINRA strongly encourages investors to use BrokerCheck to check the background of securities brokers and brokerage firms before deciding to conduct, or continue to conduct, business with them.

- **What is included in a BrokerCheck report?**

- BrokerCheck reports for individual brokers include information such as employment history, professional qualifications, disciplinary actions, criminal convictions, civil judgments and arbitration awards. BrokerCheck reports for brokerage firms include information on a firm's profile, history, and operations, as well as many of the same disclosure events mentioned above.

- Please note that the information contained in a BrokerCheck report may include pending actions or allegations that may be contested, unresolved or unproven. In the end, these actions or allegations may be resolved in favor of the broker or brokerage firm, or concluded through a negotiated settlement with no admission or finding of wrongdoing.

- **Where did this information come from?**

- The information contained in BrokerCheck comes from FINRA's Central Registration Depository, or CRD® and is a combination of:
 - information FINRA and/or the Securities and Exchange Commission (SEC) require brokers and brokerage firms to submit as part of the registration and licensing process, and
 - information that regulators report regarding disciplinary actions or allegations against firms or brokers.

- **How current is this information?**

- Generally, active brokerage firms and brokers are required to update their professional and disciplinary information in CRD within 30 days. Under most circumstances, information reported by brokerage firms, brokers and regulators is available in BrokerCheck the next business day.

- **What if I want to check the background of an investment adviser firm or investment adviser representative?**

- To check the background of an investment adviser firm or representative, you can search for the firm or individual in BrokerCheck. If your search is successful, click on the link provided to view the available licensing and registration information in the SEC's Investment Adviser Public Disclosure (IAPD) website at <https://www.adviserinfo.sec.gov>. In the alternative, you may search the IAPD website directly or contact your state securities regulator at <http://www.finra.org/Investors/ToolsCalculators/BrokerCheck/P455414>.

- **Are there other resources I can use to check the background of investment professionals?**

- FINRA recommends that you learn as much as possible about an investment professional before deciding to work with them. Your state securities regulator can help you research brokers and investment adviser representatives doing business in your state.

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Thank you for using FINRA BrokerCheck.



Using this site/information means that you accept the FINRA BrokerCheck Terms and Conditions. A complete list of Terms and Conditions can be found at brokercheck.finra.org



For additional information about the contents of this report, please refer to the User Guidance or www.finra.org/brokercheck. It provides a glossary of terms and a list of frequently asked questions, as well as additional resources. [For more information about FINRA, visit www.finra.org.](http://www.finra.org)



IIFL CAPITAL INC.
CRD# 149073
SEC# 8-68100

Main Office Location
1120 AVENUE OF THE AMERICAS, SUITE # 403C
NEW YORK, NY 10036
Regulated by FINRA New York Office

Mailing Address
1120 AVENUE OF THE AMERICAS, SUITE # 403C
NEW YORK, NY 10036

Business Telephone Number
212-221-6800

Report Summary for this Firm

This report summary provides an overview of the brokerage firm. Additional information for this firm can be found in the detailed report.

Firm Profile

This firm is classified as a corporation.
This firm was formed in New York on 12/20/2011.
Its fiscal year ends in March.

Firm History

Information relating to the brokerage firm's history such as other business names and successions (e.g., mergers, acquisitions) can be found in the detailed report.

Firm Operations

This firm is registered with:

- the SEC
- 1 Self-Regulatory Organization
- 16 U.S. states and territories

Is this brokerage firm currently suspended with any regulator? **No**

This firm conducts 2 types of businesses.
This firm is affiliated with financial or investment institutions.
This firm does not have referral or financial arrangements with other brokers or dealers.

Disclosure Events

Brokerage firms are required to disclose certain criminal matters, regulatory actions, civil judicial proceedings and financial matters in which the firm or one of its control affiliates has been involved.

Are there events disclosed about this firm? **Yes**

The following types of disclosures have been reported:

Type	Count
Regulatory Event	1

The number of disclosures from non-registered control affiliates is 1



Firm Profile

This firm is classified as a corporation.

This firm was formed in New York on 12/20/2011.

Its fiscal year ends in March.

Firm Names and Locations

This section provides the brokerage firm's full legal name, "Doing Business As" name, business and mailing addresses, telephone number, and any alternate name by which the firm conducts business and where such name is used.

IIFL CAPITAL INC.

Doing business as IIFL CAPITAL INC.

CRD# 149073

SEC# 8-68100

Main Office Location

1120 AVENUE OF THE AMERICAS, SUITE # 4030
NEW YORK, NY 10036

Regulated by FINRA New York Office

Mailing Address

1120 AVENUE OF THE AMERICAS, SUITE # 4030
NEW YORK, NY 10036

Business Telephone Number

212-221-6800



Firm Profile

This section provides information relating to all direct owners and executive officers of the brokerage firm.

Direct Owners and Executive Officers

Legal Name & CRD# (if any):	IIFL CAPITAL SERVICES LIMITED
Is this a domestic or foreign entity or an individual?	Foreign Entity
Position	SHAREHOLDER
Position Start Date	06/2019
Percentage of Ownership	75% or more
Does this owner direct the management or policies of the firm?	Yes
Is this a public reporting company?	No

Legal Name & CRD# (if any):	CHHAJED, SANDEEP 7238028
Is this a domestic or foreign entity or an individual?	Individual
Position	CEO
Position Start Date	06/2021
Percentage of Ownership	Less than 5%
Does this owner direct the management or policies of the firm?	Yes
Is this a public reporting company?	No

Legal Name & CRD# (if any):	CULLINANE, JOHN REID 5003588
Is this a domestic or foreign entity or an individual?	Individual
Position	CHIEF COMPLIANCE OFFICER
Position Start Date	04/2013

Firm Profile



Direct Owners and Executive Officers (continued)

Percentage of Ownership Less than 5%

Does this owner direct the management or policies of the firm? No

Is this a public reporting company? No

Legal Name & CRD# (if any): OBSBAUM, FREDRIC MICHAEL
1160811

Is this a domestic or foreign entity or an individual? Individual

Position FINOP

Position Start Date 06/2013

Percentage of Ownership Less than 5%

Does this owner direct the management or policies of the firm? No

Is this a public reporting company? No



Firm Profile

This section provides information relating to any indirect owners of the brokerage firm.

Indirect Owners

Legal Name & CRD# (if any):	FAIRFAX FINANCIAL HOLDINGS LIMITED
Is this a domestic or foreign entity or an individual?	Foreign Entity
Company through which indirect ownership is established	FAIRFAX INDIA HOLDINGS CORPORATION
Relationship to Direct Owner	SHAREHOLDER
Relationship Established	11/2014
Percentage of Ownership	50% but less than 75%
Does this owner direct the management or policies of the firm?	Yes
Is this a public reporting company?	No

Legal Name & CRD# (if any):	FAIRFAX INDIA HOLDINGS CORPORATION
Is this a domestic or foreign entity or an individual?	Foreign Entity
Company through which indirect ownership is established	FIH MAURITIUS INVESTMENT LIMITED
Relationship to Direct Owner	SHAREHOLDER
Relationship Established	11/2014
Percentage of Ownership	50% but less than 75%
Does this owner direct the management or policies of the firm?	Yes
Is this a public reporting company?	No

Legal Name & CRD# (if any):	FIH MAURITIUS INVESTMENT LIMITED
Is this a domestic or foreign entity or an individual?	Foreign Entity

Firm Profile



Indirect Owners (continued)

Company through which indirect ownership is established	IIFL CAPITAL SERVICES LIMITED
Relationship to Direct Owner	SHAREHOLDER
Relationship Established	06/2019
Percentage of Ownership	25% but less than 50%
Does this owner direct the management or policies of the firm?	Yes
Is this a public reporting company?	No

Firm History

This section provides information relating to any successions (e.g., mergers, acquisitions) involving the firm.

No information reported.





Firm Operations

Registrations

This section provides information about the regulators (Securities and Exchange Commission (SEC), self-regulatory organizations (SROs), and U.S. states and territories) with which the brokerage firm is currently registered and licensed, the date the license became effective, and certain information about the firm's SEC registration.

This firm is currently registered with the SEC, 1 SRO and 16 U.S. states and territories.

Federal Regulator	Status	Date Effective
SEC	Approved	10/09/2009

SEC Registration Questions

This firm is registered with the SEC as:

A broker-dealer: Yes

A broker-dealer and government securities broker or dealer: No

A government securities broker or dealer only: No

This firm has ceased activity as a government securities broker or dealer: No

Self-Regulatory Organization	Status	Date Effective
FINRA	Approved	10/09/2009



Firm Operations

Registrations (continued)

U.S. States & Territories	Status	Date Effective
California	Approved	03/17/2014
Connecticut	Approved	07/22/2016
District of Columbia	Approved	04/02/2014
Florida	Approved	06/29/2018
Illinois	Approved	04/15/2014
Maryland	Approved	01/19/2021
Massachusetts	Approved	03/17/2014
New Jersey	Approved	05/02/2014
New York	Approved	04/16/2010
North Carolina	Approved	08/18/2021
Ohio	Approved	05/21/2018
Oregon	Approved	06/04/2018
Pennsylvania	Approved	05/15/2018
Texas	Approved	01/15/2021
Utah	Approved	08/17/2021
Virginia	Approved	07/06/2018



Firm Operations

Types of Business

This section provides the types of business, including non-securities business, the brokerage firm is engaged in or expects to be engaged in.

This firm currently conducts 2 types of businesses.

Types of Business

Broker or dealer selling tax shelters or limited partnerships in primary distributions

Other - THE FIRM WILL ACT AS A U.S. BROKER-DEALER FOR AFFILIATED FOREIGN BROKER-DEALER(S) PURSUANT TO RULE 15A-6(A)(2) OF THE SECURITIES AND EXCHANGE ACT OF 1934. THE FIRM WILL BE A BROKER RETAILING FOREIGN CORPORATE EQUITY SECURITIES AND FOREIGN CORPORATE DEBT SECURITIES. THE FIRM WILL BE AN UNDERWRITER OR SELLING GROUP PARTICIPANT (LEAD MANAGER IN THE PLACEMENT OF FOREIGN SECURITIES ON A BEST EFFORTS BASIS).

Other Types of Business

This firm does not effect transactions in commodities, commodity futures, or commodity options.

This firm does not engage in other non-securities business.

Non-Securities Business Description:

Firm Operations



Clearing Arrangements

This firm does not hold or maintain funds or securities or provide clearing services for other broker-dealer(s).

Introducing Arrangements

This firm does not refer or introduce customers to other brokers and dealers.

Firm Operations

Industry Arrangements



This firm does not have books or records maintained by a third party.

This firm does not have accounts, funds, or securities maintained by a third party.

This firm does not have customer accounts, funds, or securities maintained by a third party.

Control Persons/Financing

This firm does not have individuals who control its management or policies through agreement.

This firm does not have individuals who wholly or partly finance the firm's business.



Firm Operations

Organization Affiliates

This section provides information on control relationships the firm has with other firms in the securities, investment advisory, or banking business.

This firm is, directly or indirectly:

- in control of
 - controlled by
 - or under common control with
- the following partnerships, corporations, or other organizations engaged in the securities or investment advisory business.

IIFL WEALTH (UK) LTD is under common control with the firm.

Business Address:	45 KING WILLIAM STREET LONDON, UK EC4R 9AN
Effective Date:	06/01/2019
Foreign Entity:	Yes
Country:	UK
Securities Activities:	Yes
Investment Advisory Activities:	No
Description:	THE APPLICANT AND IIFL WEALTH (UK) LTD ARE UNDER COMMON CONTROL THROUGH IIFL CAPITAL SERVICES LIMITED

IIFL CAPITAL SERVICES LIMITED controls the firm.

Business Address:	ONE LODHA PLACE 24TH FLOOR, SENAPATI BAPAT MARG LOWER PAREL (W), MUMBAI, INDIA 400 013
Effective Date:	06/01/2019
Foreign Entity:	Yes
Country:	INDIA
Securities Activities:	Yes
Investment Advisory Activities:	No
Description:	THE APPLICANT IS OWNED BY IIFL CAPITAL SERVICES LIMITED

This firm is not directly or indirectly, controlled by the following:

Firm Operations



Organization Affiliates (continued)

- bank holding company
- national bank
- state member bank of the Federal Reserve System
- state non-member bank
- savings bank or association
- credit union
- or foreign bank



Disclosure Events

All firms registered to sell securities or provide investment advice are required to disclose regulatory actions, criminal or civil judicial proceedings, and certain financial matters in which the firm or one of its control affiliates has been involved. For your convenience, below is a matrix of the number and status of disclosure events involving this brokerage firm or one of its control affiliates. Further information regarding these events can be found in the subsequent pages of this report.

	Pending	Final	On Appeal
Regulatory Event	0	1	0



Disclosure Event Details

What you should know about reported disclosure events:

1. **BrokerCheck provides details for any disclosure event that was reported in CRD. It also includes summary information regarding FINRA arbitration awards in cases where the brokerage firm was named as a respondent.**
2. **Certain thresholds must be met before an event is reported to CRD, for example:**
 - A law enforcement agency must file formal charges before a brokerage firm is required to disclose a particular criminal event.
3. **Disclosure events in BrokerCheck reports come from different sources:**
 - Disclosure events for this brokerage firm were reported by the firm and/or regulators. When the firm and a regulator report information for the same event, both versions of the event will appear in the BrokerCheck report. The different versions will be separated by a solid line with the reporting source labeled.
4. **There are different statuses and dispositions for disclosure events:**
 - A disclosure event may have a status of *pending*, *on appeal*, or *final*.
 - A "pending" event involves allegations that have not been proven or formally adjudicated.
 - An event that is "on appeal" involves allegations that have been adjudicated but are currently being appealed.
 - A "final" event has been concluded and its resolution is not subject to change.
 - A final event generally has a disposition of *adjudicated*, *settled* or *otherwise resolved*.
 - An "adjudicated" matter includes a disposition by (1) a court of law in a criminal or civil matter, or (2) an administrative panel in an action brought by a regulator that is contested by the party charged with some alleged wrongdoing.
 - A "settled" matter generally involves an agreement by the parties to resolve the matter. Please note that firms may choose to settle customer disputes or regulatory matters for business or other reasons.
 - A "resolved" matter usually involves no payment to the customer and no finding of wrongdoing on the part of the individual broker. Such matters generally involve customer disputes.
5. **You may wish to contact the brokerage firm to obtain further information regarding any of the disclosure events contained in this BrokerCheck report.**

Regulatory - Final

This type of disclosure event involves (1) a final, formal proceeding initiated by a regulatory authority (e.g., a state securities agency, self-regulatory organization, federal regulator such as the U.S. Securities and Exchange Commission, foreign financial regulatory body) for a violation of investment-related rules or regulations; or (2) a revocation or suspension of the authority of a brokerage firm or its control affiliate to act as an attorney, accountant or federal contractor.

Disclosure 1 of 1

Reporting Source: Regulator

Current Status: Final



Allegations: WITHOUT ADMITTING OR DENYING THE FINDINGS, THE FIRM CONSENTED TO THE SANCTIONS AND TO THE ENTRY OF FINDINGS THAT IT CONDUCTED A SECURITIES BUSINESS WHILE IT DID NOT MEET ITS MINIMUM NET CAPITAL REQUIREMENTS. THE FINDINGS STATED THAT THE NET CAPITAL DEFICIENCY WAS DUE TO THE MISCLASSIFICATION OF UNCOLLECTED RECEIVABLES (FOR SOFT DOLLAR INCOME) AS ALLOWABLE INSTEAD OF NON-ALLOWABLE.

Initiated By: FINRA

Date Initiated: 03/07/2016

Docket/Case Number: 2015044031801

Principal Product Type: Other

Other Product Type(s): UNSPECIFIED SECURITIES

Principal Sanction(s)/Relief Sought:

Other Sanction(s)/Relief Sought:

Resolution: Acceptance, Waiver & Consent(AWC)

Resolution Date: 03/07/2016

Does the order constitute a final order based on violations of any laws or regulations that prohibit fraudulent, manipulative, or deceptive conduct? No

Sanctions Ordered: Censure
Monetary/Fine \$15,000.00

Other Sanctions Ordered:

Sanction Details: THE FIRM WAS CENSURED AND FINED \$15,000.
FINE PAID IN FULL ON MARCH 31, 2016.

Reporting Source: Firm

Current Status: Final

Allegations: WITHOUT ADMITTING OR DENYING THE FINDINGS, THE FIRM CONSENTED TO THE SANCTIONS AND TO THE ENTRY OF FINDINGS THAT IT CONDUCTED A SECURITIES BUSINESS WHILE IT DID NOT MEET ITS MINIMUM NET CAPITAL REQUIREMENTS. THE FINDINGS STATED THAT THE



NET CAPITAL DEFICIENCY WAS DUE TO THE MISCLASSIFICATION OF UNCOLLECTED RECEIVABLES (FOR SOFT DOLLAR INCOME) AS ALLOWABLE INSTEAD OF NON-ALLOWABLE.

Initiated By: FINRA

Date Initiated: 03/07/2016

Docket/Case Number: 2015044031801

Principal Product Type: Other

Other Product Type(s): UNSPECIFIED SECURITIES

Principal Sanction(s)/Relief Sought:

Other Sanction(s)/Relief Sought:

Resolution: Acceptance, Waiver & Consent(AWC)

Resolution Date: 03/07/2016

Sanctions Ordered: Censure
Monetary/Fine \$15,000.00

Other Sanctions Ordered:

Sanction Details: THE FIRM WAS CENSURED AND FINED \$15,000.

Firm Statement IIFL CAPITAL INC. , ACKNOWLEDGES THE NET CAPITAL FINDING AS DESCRIBED, HOWEVER, THE FIRM WOULD LIKE TO NOTE THAT IT SELF-REPORTED THIS MATTER TO FINRA IN JULY 2014. THE FIRM HIRED A NEW MORE EXPERIENCED FINOP THAT WAS MORE FAMILIAR WITH THE FIRM'S BUSINESS IN JULY 2014 AND WHILE REVIEWING THE JUNE 2014 FINANCIALS TO PROCESS THE JULY 2014 FOCUS REPORT, HE UNCOVERED THAT THE FORMER FINOP HAD MISCLASSIFIED CERTAIN ASSETS AS ALLOWABLE WHEN THEY WERE, IN FACT, UNALLOWABLE. THE FIRM IDENTIFIED, REPORTED AND CORRECTED THIS ISSUE IN JULY 2014. THERE HAVE BEEN NO ISSUES WITH NET CAPITAL SINCE THIS ONE ISOLATED INCIDENT.

Disclosure Events for Non-Registered Control Affiliates



All firms registered to sell securities or provide investment advice are required to disclose regulatory actions, criminal or civil judicial proceedings, and certain financial matters in which the firm or one of its control affiliates has been involved. For your convenience, below is a matrix of the number and status of disclosure events involving this brokerage firm or one of its control affiliates. Further information regarding these events can be found in the subsequent pages of this report.

	Pending	Final	On Appeal
Regulatory Event	0	1	0



Disclosure Event Details

Regulatory - Final

Disclosure 1 of 1

Reporting Source:	Firm
Affiliate:	IIFL CAPITAL SERVICES LIMITED (PREVIOUSLY IIFL SECURITIES LIMITED)
Current Status:	Final
Allegations:	<p>SEBI HAD UNDERTAKEN INSPECTION RELATING TO BROKING BUSINESS OF IIFL SECURITIES LIMITED IN FEBRUARY 2014 AND MARCH 2017.</p> <p>POST INSPECTION SEBI ISSUED ENQUIRY NOTICES DATED MAY 2, 2017 AND OCTOBER 28, 2021 BASED ON THE INSPECTION CONDUCTED DURING FEBRUARY 2014 (FOR THE PERIOD FROM 2011 TO 2014) AND MARCH 2017 (PERIOD FROM APRIL 01, 2015 TO JANUARY 31, 2017) IN RESPECT OF SEGREGATION OF CLIENTS' FUNDS RESPECTIVELY.</p> <p>FOLLOWING WERE THE OBSERVATIONS MADE IN THE ABOVE SAID SEBI NOTICES BASED ON THEIR INSPECTION:-</p> <p>A) FAILED TO DO SEGREGATION OF OWN FUNDS FROM CLIENTS' FUNDS;</p> <p>B) MISUSED CREDIT BALANCE OF CLIENTS' FUNDS FOR DEBIT BALANCE CLIENTS' FUNDS; AND</p> <p>C) NOT DESIGNATED THE CLIENT BANK ACCOUNT APPROPRIATELY.</p>
Initiated By:	SECURITIES AND EXCHANGE BOARD OF INDIA (SEBI)
Date Initiated:	06/19/2023
Docket/Case Number:	WTM/SM/EFD/DRA1/27528/2023-24
Principal Product Type:	Other
Other Product Type(s):	STOCK BROKING
Principal Sanction(s)/Relief Sought:	Other
Other Sanction(s)/Relief Sought:	IIFL SECURITIES LIMITED IS PROHIBITED FROM TAKING UP/ONBOARDING ANY NEW CLIENT FOR A PERIOD OF TWO (2) YEARS IN RESPECT OF ITS BUSINESS AS A STOCK BROKER.
Resolution:	Other
Resolution Date:	12/07/2023
Sanctions Ordered:	Monetary/Fine \$24,054.00
Other Sanctions Ordered:	

**Sanction Details:**

THE SECURITIES APPELLATE TRIBUNAL (SAT) HAS SET ASIDE THE MARKET REGULATOR'S ORDER RESTRAINING IIFL SECURITIES FROM TAKING NEW CLIENTS FOR A PERIOD OF TWO YEARS. WHILE THEY DEEMED THERE WAS NO MISUSE OF CLIENTS FUNDS, SAT DID FINE IIFL SECURITIES FOR FAILURE TO CHANGE NOMENCLATURE OF THE BANK ACCOUNTS OF THE CLIENTS, A TECHNICAL VIOLATION OF A 1993 CIRCULAR. OVERALL, SAT REDUCED THE PENALTY IMPOSED ON THE BROKERAGE TO RS 20 LAKH (APPROXIMATELY \$24,054) FROM RS 1 CRORE (APPROXIMATELY \$120,280)

Firm Statement

THE SECURITIES APPELLATE TRIBUNAL (SAT) HAS SET ASIDE THE MARKET REGULATOR'S ORDER RESTRAINING IIFL SECURITIES FROM TAKING NEW CLIENTS FOR A PERIOD OF TWO YEARS. WHILE THEY DEEMED THERE WAS NO MISUSE OF CLIENTS FUNDS, SAT DID FINE IIFL SECURITIES FOR FAILURE TO CHANGE NOMENCLATURE OF THE BANK ACCOUNTS OF THE CLIENTS, A TECHNICAL VIOLATION OF A 1993 CIRCULAR. OVERALL, SAT REDUCED THE PENALTY IMPOSED ON THE BROKERAGE TO RS 20 LAKH (APPROXIMATELY \$24,054) FROM RS 1 CRORE (APPROXIMATELY \$120,280)

IN THE DECEMBER 7 ORDER, SAT STATED THAT "THERE HAS BEEN NO MISUSE OF CLIENT FUNDS AND BY WRONGLY CONSIDERING THE NON-FUNDED PORTION OF THE BANK GUARANTEE AS PER THE 2016 CIRCULAR, AN ATTEMPT HAS BEEN MADE OUT TO SHOW THAT THERE WAS A MISUSE OF CLIENT FUNDS WHICH, IN OUR OPINION, IS PATENTLY ERRONEOUS".

End of Report



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