



File No. IFSCA-RPRA0EFD/18/2025-RPRA

Date: January 28, 2026

To

LMB Insurance Brokers Private Limited

TC No. 4/698, Vikesh,

Toll Junction, Kowdiar,

Trivandrum - 695003

Madam/Sir,

**Sub: Show Cause Notice (“SCN”) issued under Regulation 30 of International Financial Services Centres Authority (Insurance Intermediary) Regulations, 2021 (hereinafter referred to as “Insurance Intermediary Regulations, 2021”) read with Section 13(4) of the International Financial Services Centres Authority Act, 2019 (hereinafter referred to as “IFSCA Act, 2019”) read with Sections 33(6)(b), 34(1) and 102 Insurance Act, 1938-**

**In the matter of LMB Insurance Brokers Private Limited.**

This Show Cause Notice (SCN) is being issued to the GIFT IFSC Branch of LMB Insurance Brokers Private Limited (hereinafter referred to as “Noticee”) for alleged violations referred to in this SCN.

**A. Background:**

- The Noticee is an Indian Composite Insurance Broker registered by the Insurance Regulatory and Development Authority of India (hereinafter referred to as “IRDAI”). The International Financial Services Centres Authority (hereinafter referred to as “Authority”) had granted Certificate of Registration (hereinafter referred to as “CoR”) to the Noticee on January 31, 2024, to act as an IFSC Insurance Intermediary Office (hereinafter referred to as “IIIO”) in branch form.
- The Noticee, having its registered office address at Unit No. GB-22, GF Floor, Pragma Accelerator-1, Block 15, Road 1C, Zone 1, GIFT SEZ, GIFT City, Gandhinagar, Gujarat, 382355; was issued a CoR bearing registration No. ‘IFSCA/IIIO/023/2023-24’ dated January 31, 2024, along with a covering letter dated January 31, 2024, wherein it was mentioned that the CoR is subject to the



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**INTERNATIONAL FINANCIAL SERVICES CENTRES AUTHORITY**

Second & Third Floor, PRAGYA Tower, Block 15, Zone 1, Road 1C, GIFT SEZ, GIFT City,  
Gandhinagar-382 355, Gujarat, India. P: +91 79 6180 9800

provisions of the IFSCA Act, 2019, Insurance Act, 1938 and the Insurance Intermediary Regulations, 2021.

- c) This SCN is being issued pursuant to the proceedings started against the Noticee for the alleged violations of the Insurance Intermediary Regulations, 2021. The allegations and relevant facts and findings have been discussed in the later part of this Show Cause Notice.

**B. Facts of the case:**

- a) The cover letter dated January 31, 2024, inter alia, states that the Noticee is to commence its business operations within the timelines as provided under regulation 12(4) of the Insurance Intermediary Regulations, 2021; submit to the Authority the date of proposed commencement of business operations, and also immediately upon actual commencement of business; and make payment towards the applicable fees for the FY 2023-24 as per the Authority's Circular Ref No. 865/1IFSCA/Banking/Fee Revision/2022-23 dated 17<sup>th</sup> May 2023 (hereinafter referred to as "Fee Circular dated 17<sup>th</sup> May-2023") and submit the intimation of the fee payment to the Department of Insurance. The said cover letter dated January 31, 2024, is attached at **Annexure A**.
- b) The cover letter dated April 5, 2024, advised the Noticee to inform the date of proposed commencement of business operations, and also immediately upon actual commencement of business; and make payment towards the applicable fees for the FY 2024-25 as per the Fee Circular dated 17<sup>th</sup> May 2023. The said cover letter dated April 5, 2024, is attached at **Annexure B**.
- c) Whereas the Noticee vide its letter dated February 7, 2024, informed the Authority that it has opened its GIFT-IFSC branch office on January 5, 2024, and the Branch Head has joined the duties. The Authority (through the Department of Insurance), vide email dated February 15, 2024, requested the, the Noticee to confirm exact date on which business operations were commenced. Further, the Authority also asked for submission of copy of certificate/communication upon its receipt from SEZ authorities, confirming the date of commencement of business operations. The Authority has not received any response from the Noticee in this regard.



- d) Whereas the Authority vide email dated March 7, 2024, has inter alia, advised the Noticee to submit its response regarding the commencement of business operations. The Noticee has, vide email dated March 17, 2024, submitted that it will be able to commence operations only on getting GSTIN from the GST Department and upon getting renewal of the CoR from the Authority.
- e) The Authority (through its Department of Insurance) has also issued an advisory addressed to Mrs. Dr. Jayashree Vallabhan, Principal Officer of the Noticee by letter dated September 17, 2024, informing about the non-compliance by the Noticee regarding the regulatory framework. In the letter, the Noticee was advised to submit the following:
- i. Status on commencement of business operations
  - ii. Status on payment of applicable fee (including late fee, interest if any) to the Authority
  - iii. Clarification/response on repeated non-responsive behaviour of the RE towards, the mandate of law, and, advice of the Authority, along with comments on as to why appropriate disciplinary action may not be initiated against the RE for the violations as highlighted in the letter dated September 17, 2024.
- f) Whereas the Noticee was asked to ensure compliance and submit compliance report within fifteen days of the receipt of the Advisory letter. The said Advisory letter was scanned and sent through an email dated September 17, 2024. The said Advisory Letter is enclosed at **Annexure C**.
- g) Whereas the Noticee has submitted its response to the aforementioned Advisory Letter vide its Letter dated October 1, 2024. The response of the Noticee has been discussed in the later part of this Show Cause Notice.
- h) Whereas the Authority (through its Supervision Division) on October 16, 2025, conducted a visit at the registered office address of the Noticee i.e., Unit No. GB-22, GF Floor, Pragya Accelerator-1, Block 15, Road 1C, Zone 1, GIFT SEZ, GIFT City, Gandhinagar, Gujarat, 382355. However, it was observed that at the above address, an entity other than the Noticee was conducting the business.

**C. Violations alleged to have been committed by the Noticee:**



Basis the observations/finding of facts as mentioned above and other documents/information available on record, it is alleged that the Noticee has committed following violations:

**1. Alleged Violation 1: That the Noticee has failed to commence business, for which it has been registered, as required under Regulation 12(4) of the Insurance Intermediary Regulations, 2021**

**1.1. Relevant Facts:**

**1.1.1.** Clause 2(b) of the Letter dated January 31, 2024, issued by the Authority states that the Certificate of Registration dated January 31, 2024, is granted to the Noticee subject to the condition that the Noticee shall, inter alia, commence its business operations within the timelines as provided under Regulation 12(4) of the Insurance Intermediary Regulations, 2021.

**1.1.2.** In this regard, the Authority vide Clause 4 of the Letter dated January 31, 2024; Clause 3 of the Letter dated April 5, 2024, and vide letter dated September 17, 2024, had advised the Noticee to inform the date of proposed commencement of business operations, and immediately upon actual commencement of business.

**1.1.3.** Whereas the Noticee has in its response vide its letter dated February 7, 2024, informed the Authority that it has opened its GIFT-IFSC branch office on January 5, 2024, and the Branch Head has joined the duties. Additionally, the Noticee submitted that it is proceeding with compliance with other requirements to effect the commencement of business at the Branch.

**1.1.4.** Whereas the Noticee has vide email dated March 17, 2024, submitted that it will be able to commence operations only on getting GSTIN from the GST Department and upon getting renewal of the CoR from the Authority.

**1.1.5.** Whereas the Noticee has vide letter dated October 1, 2024, submitted that it has commenced business on February 5, 2024, and has communicated the same to the Development Commissioner by email. The Noticee has acknowledged that the Regulation 12(4) provides that an IIO shall commence business within 180 days of the grant of certificate by the Authority. The Noticee has also acknowledged that certificate of registration dated January 31, 2024, was granted



on the condition that the Noticee shall commence operations within the time stipulated under Regulation 12(4).

1.1.6. Furthermore, in its response vide letter dated October 1, 2024, the Noticee has submitted that the Insurance Intermediary Regulations, 2021 does not define the term commencement of business and hence the term could have multiple interpretations including the date a company begins operations and documents required to start business. The Noticee further submitted that it has commenced business on February 5, 2024, but it has not procured any business so far and thus could not provide actual date of commencement of business as requested by the Authority. The Noticee also submitted that Regulation 12(4) does not provide for actual commencement of business after procuring business; it only provides for a company to start its business operations after all legal formalities. The Noticee also emphasized that if the Authority insists on actual procurement data as the date of commencement of business, it may be given an opportunity to file an extension application after condoning the delay. The Noticee also submitted that appointing of employee for GIFT IFSC Unit is a matter incidental to commencement of business. Lastly, the Noticee informed that it has obtained GSTIN. Noticee's Letter dated October 1, 2024, is attached at **Annexure D**.

1.1.7. Whereas during the Authority's visit on October 16, 2025, at the registered office address of the Noticee in IFSC, it was observed that the Noticee is no longer operating from the registered office address. Rather, an entity other than the Noticee is conducting its business from the address i.e., Unit No. GB-22, GF Floor, Pragma Accelerator-1, Block 15, Road 1C, Zone 1, GIFT SEZ, GIFT City, Gandhinagar, Gujarat, 382355.

## 1.2. Applicable Law:

1.2.1. Clause 2(b) of the Authority's Letter dated January 31, 2024, states that: *"After examining your application, IFSCA is pleased to grant LMB CoR No. IFSCA/IIIIO/023/2023-24, subject to the following conditions that the applicant shall commence its business operations within the timelines provided under regulations 12(4) of IFSCA (Insurance Intermediary) Regulations, 2021."*



**1.2.2.** Clause 4(a) of the Authority's Letter dated January 31, 2024, states that: *"LMB is further advised to inform the date of proposed commencement of business operations, and also immediately upon actual commencement of business;"*

**1.2.3.** Clause 3(a) of the Authority's letter dated April 5, 2024, states that: *"LMB is further advised to ensure compliance on para 4(a) of the IFSCA's letter dated 31-Jan-2024,"*

**1.2.4.** Regulation 12(4) of the Insurance Intermediary Regulations, 2021 states that *"An IIIO shall commence business, for which it has been registered, within one hundred eighty (180) days from the date of grant of certificate by the Authority; Provided that if an IIIO is not able to commence business within the specified period, it can, before the time expiry of the time, but at least thirty (30) days in advance, make an application, for an extension of time to the Chairperson of the Authority."*

**1.3.** In view of the relevant facts mentioned at para 1.1 above, prima facie, it appears that the Noticee is not operating in IFSC showcasing non-commencement of operations. Accordingly, it is alleged that the Noticee has violated conditions imposed in Clause 4(a) of the Authority's letter dated January 31, 2024, and regulation 12(4) of the Insurance Intermediary Regulations, 2021.

**2. Alleged Violation 2: That the Noticee has failed to pay the annual fee for the as required under Fee Circular dated May 17, 2023, as amended from time to time.**

**2.1. Relevant Facts:**

**2.1.1.** As per clause 6(iii)(c) of the Fee Circular dated May 17, 2023 (as amended from time to time), the Noticee is required to pay fee within 30 days of the end of the preceding financial year.

**2.1.2.** Clause 3(b) of the Letter dated 5th April 2024 advises the Noticee to make compliance towards the applicable fees for the FY 2024-25 as per the Fee Circular dated May 17, 2023. Additionally, the Authority has also sent email dated May 1, 2024, June 3, 2024, and July 1, 2024, reminding the Noticee for payment of annual fees.



2.1.3. Whereas the Noticee has vide letter dated October 1, 2024, submitted that the IFSCA Act, 2019 and the Acts mentioned in Schedule thereto do not contain any provision for imposing an annual fee from an insurance broker. Furthermore, the Noticee submitted that the IRDAI has not realized any annual fee from an Insurance Broker. The Noticee also claimed that Insurance Act of 1938 provides for imposing annual fee from an Insurance Company only.

2.1.4. Furthermore, in its response vide letter dated October 1, 2024, the Noticee has submitted that the annual fee now proposed to be taken from an insurance Intermediary is against the provisions of the IFSCA Act, 2019, Insurance Intermediary Regulations, 2021 and also the Constitution of India. In this light, the Noticee also requested that the action to realize annual fee from it may be waived as per the provisions of the Fee Circular dated May 17, 2023.

## 2.2. Applicable Law:

2.2.1. Clause 6(iii)(a) of the Fee Circular states that *“The FIs covered under this sub-clause are liable to pay Recurring Fees from the date of communication intimating the decision of the Authority to grant final licence, registration, recognition or authorisation.”*

2.2.2. Clause 6(iii)(c) of the Fee Circular states that *“For a financial year other than the year of commencement of operations, “Recurring” fee as specified in the Schedule-I, shall be paid within 30 days of the end of the financial year.”*

2.2.3. Clause 3(b) of the Authority’s letter dated April 5, 2024, states that: *“LMB is further advised make payment towards the applicable fees for the FY 2024-25 as per the Authority’s Circular Ref No. 865/IFSCA/Banking/Fee Revision/2022-23 dated 17-May-2023 and send an intimation to the Department of Insurance, IFSCA.”*

2.3. In view of the relevant facts mentioned at para 2.1 above, it is alleged that the Noticee has violated conditions imposed in the Clauses 6(iii)(a) & 6(iii)(c) of the Fee Circular dated May 17, 2023.

D. In view of the above, the Noticee is hereby called upon to show cause as to why appropriate actions should not be initiated under Regulation 30 of Insurance Intermediary Regulations, 2021 read with Section 13(4) of the IFSCA Act, 2019 read with Sections



33(6)(b), 34(1) and 102(b) Insurance Act, 1938. The said provisions are quoted below for ready reference:

**Section 13(4) of the International Financial Services Centres Authority Act, 2019**

"(4) For the purposes of sub-section (1), the provisions of the respective Acts specified under column (3) of the First Schedule relating to—

(a) the manner of filing an application for recognition or registration or withdrawal of recognition or registration or furnishing of information or reports;

(b) the procedure of inspection, investigation or prosecution of offences, settlement of civil and administrative proceedings, compounding or adjudication of any offence or penalty, or actions to be taken in furtherance of such inspection, investigation, or adjudication or filing of appeals arising therefrom;

(c) the determination or settlement, as the case may be, of any fee or fine or penalty or any other sum of amount or punishment for the contravention of any provisions of respective Acts specified in the First Schedule and recovery of such fine or penalty,

shall, *mutatis mutandis*, apply to financial products, financial services and financial institutions under this Act, as they apply to the financial products, financial services and financial institutions under such respective Acts."

**Sections 33(6)(b) 34(1) and 102 of the Insurance Act, 1938**

"33. (1) ...

(2) ...

(3) ...

(4) ...

(5) ...

(6) On receipt of any report under sub-section (1) or sub-section (5), the Authority may, after giving such opportunity to the insurer or intermediary or insurance intermediary, as the case may be, to make a representation in connection with the report as, in the opinion of the Authority, seems reasonable, by order in writing

(a) ...

(b) cancel the registration of the insurer or intermediary or insurance intermediary, as the case may be; or"



*“34. Power of the Authority to issue directions. — (1) Where the Authority is satisfied that— (a) in the public interest; or (b) to prevent the affairs of any insurer being conducted in a manner detrimental to the interests of the policy-holders or in a manner prejudicial to the interests of the insurer; or (c) generally to secure the proper management of any insurer,*

*it is necessary to issue directions to insurers generally or to any insurer in particular, he may, from time to time, issue such directions as he deems fit, and the insurers or the insurer, as the case may be, shall be bound to comply with such directions:*

*Provided that no such direction shall be issued to any insurer in particular unless such insurer has been given a reasonable opportunity of being heard”*

*“102. Penalty for default in complying with, or act in contravention of, this Act. —If any person, who is required under this Act, or rules or regulations made thereunder, ~~(a)~~ to furnish any document, statement, account, return or report to the Authority, fails to furnish the same; or (b) to comply with the directions, fails to comply with such directions; (c) to maintain solvency margin, fails to maintain such solvency margin; (d) to comply with the directions on the insurance treaties, fails to comply with such directions on the insurance treaties, he shall be liable to a penalty of one lakh rupees for each day during which such failure continues or one crore rupees, whichever is less.”*

**Regulation 30 of the International Financial Services Centres Authority (Insurance Intermediary) Regulations, 2021**

*Action in case of Default –*

*(1) If pursuant to an inspection or investigation or otherwise, the Authority is of the opinion that the operations of an IIIO are not being conducted in accordance with the provisions of the Act, rules or regulations or circulars and guidelines issued thereunder or its activities are not in the interests of the International Financial Services Centres, the Authority may take appropriate disciplinary action against it including but not limited to suspension or cancellation of certificate after giving an opportunity to the IIIO, of making its submissions.*



(2) Without prejudice to the above, the Authority may take any other action as it deems fit, under the Act.

E. The response of the Noticee, if any, should reach the undersigned at the address given below and at enforcement@ifsc.gov.in within 14 days from the date of receipt of this notice, along with any supporting documents that you may wish to rely upon in support of your contentions, failing which it will be construed that the Noticee/s has no submissions to make, and the Authority shall be free to proceed with the matter ex-parte, on the basis of material available on record in accordance with the applicable laws.

**International Financial Services Centres Authority**

2nd & 3rd Floor, PRAGYA Tower, Block 15, Zone 1,  
Road 1C, GIFT SEZ, GIFT City, Gandhinagar,  
Gujarat - 382 355

F. The Noticee is further advised to keep the Authority informed about the change in their correspondence address, if any, and provide updated e-mail ID and phone number.

G. This Notice is issued without prejudice to the rights of Authority to initiate any other actions for the aforesaid violations in terms of the applicable laws.

H. The notice is issued by the undersigned in terms of the power delegated by the Note no. 2.4 of Delegation of Powers Order dated 11.11.2025 issued vide F.No. IFSCA-Admn/21/2025-GAD. The relevant pages of the Order are enclosed at Annexure E.

I. The Noticee may also indicate in their reply as to whether they require a personal hearing.



*G.C.J.*  
28.01.2026

**GYAN CHAND JAIN**  
**HOD-IN-CHARGE**  
**ENFORCEMENT DIVISION**

**INTERNATIONAL FINANCIAL SERVICES CENTRES AUTHORITY**

**List of Annexures:**

- A. Authority's letter dated January 31, 2024 (Page 1 to 2)
- B. Authority's letter dated April 5, 2024 (Page 3 to 4)

- C. Authority's letter dated September 17, 2024 (Page 5 to 6)
- D. Noticee's Letter dated October 1, 2024 (Page 7 to 10)
- E. Copy of relevant pages of Delegation of Power order dated 11.11.2025 (Page 11 to 14)





F. No. 1121/IFSCA/Ins/IIIO/LMB/2023-24

31-January-2024

Mrs. Dr. Jayshree Vallabhan  
Principal Officer  
M/s LMB Insurance Brokers Pvt. Ltd.  
TC No. 4/698, Vikesh  
Toll Junction, Kowdiar  
Trivandrum - 695003

Madam,

**Sub: Application seeking certificate of registration to open a branch in IFSC-GIFT City, Gandhinagar, Gujarat**

This is in reference to the application dated 12-Jul-2023 seeking registration to operate branch office of M/s LMB Insurance Brokers Pvt. Ltd. (LMB/Applicant) in IFSC-GIFT City, Gandhinagar, Gujarat, and subsequent correspondence exchanged on the matter with the IFSCA.

2. After examining your application, IFSCA is pleased to grant LMB CoR No. IFSCA/IIIO/023/2023-24, subject to the following conditions that the applicant shall -

- a) comply with the Insurance Act, 1938, IFSCA (Insurance Intermediary) Regulations, 2021 and other regulations, guidelines and circulars issued from time to time;
- b) commence its business operations within the timelines as provided under regulations 12(4) of IFSCA (Insurance Intermediary) Regulations, 2021;
- c) comply with Regulation 13(1) of IFSCA (Insurance Intermediary) Regulations, 2021;
- d) report to the IFSCA about instances of any action taken by the home country regulatory or supervisory authority;

3. This certificate granted by IFSCA for the first time, shall be valid till the expiry of the certificate of registration issued by the home country regulator and thereafter will be for a period co-terminus with the expiry of the original certificate of registration, subject to the provisions of the IFSCA (Insurance Intermediary) Regulations, 2021.



INTERNATIONAL FINANCIAL SERVICES CENTRES AUTHORITY Page 1 of 2

Second & Third Floor, PRAGYA Tower, Block 15, Zone 1, Road 1C, GIFT SEZ, GIFT City,  
Gandhinagar-382 355, Gujarat, India. P: +91 79 6180 9800

4. LMB is further advised to –

- a) inform the date of proposed commencement of business operations, and also immediately upon actual commencement of business;
- b) make payment towards the applicable fees for the FY 2023-24 as per the Authority's Circular Ref No. 865/1FSCA/Banking/Fee Revision/2022-23 dated 17-May-2023 and send an intimation to the Department of Insurance, IFSCA

5. Original Certificate of Registration No. IFSCA/IIIO/023/2023-24 is attached.

6. Kindly acknowledge receipt and ensure compliance, as above.

Thanking You,

Yours Faithfully,

  
(Bhaskar Khadakbhavi)  
General Manager

Encl: as above.



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F. No. 1121/IFSCA/Ins/IIIO/LMB/2023-24

Date: 05<sup>th</sup> April 2024

Mrs. Dr. Jayasree Vallabhan  
Principal Officer  
M/s LMB Insurance Brokers Pvt. Ltd.,  
TC No. 4/698, Vikesh,  
Toll Junction, Kowdiar,  
Trivandrum - 695003

Madam,

**Sub: Application for Renewal of certificate of registration of IFSC Insurance Intermediary Office (IIIO)**

This has reference to application dated 10-Feb-2024 of LMB Insurance Brokers Pvt. Ltd. (LMB/IIIO) and further correspondence exchanged on the matter of seeking renewal of certificate of registration (CoR) of the IFSC Insurance Intermediary office.

2. After examining the application, IFSCA is pleased to renew IIIO's CoR No. IFSCA/IIIO/023/2023-24 for the period of three (3) years, subject to the following conditions:

- a) The IIIO shall comply with the Insurance Act, 1938, IFSCA (Insurance Intermediary) Regulations, 2021 and other regulations, guidelines and circulars issued from time to time.
- b) Immediate reporting of instances of action taken by the home country regulator or supervisory authority.
- c) The insurance broker shall comply with Regulations 13(1) of IFSCA (Insurance Intermediary) Regulations, 2021.



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- d) The CoR granted by the IFSCA shall be for a period co-terminus with the expiry of the renewed CoR issued by the IRDAI i.e. up till 17-Feb-2027 subject to the provisions of the IFSCA (Insurance Intermediary) Regulations, 2021.
3. LMB is further advised to –
- ensure compliance on para 4 (a) of IFSCA's letter dated 31-Jan-2024,
  - make payment towards the applicable fees for the FY 2024-25 as per the Authority's Circular Ref No. 865/IFSCA/Banking/Fee Revision/2022-23 dated 17-May-2023 and send an intimation to the Department of Insurance, IFSCA.
4. Renewed CoR No. IFSCA/IIIO/023/2023-24 is attached.
5. Kindly acknowledge receipt and ensure compliance, as above.

Thanking You,

Yours Faithfully,

  
(Bhaskar Khadakbhavi)  
General Manager

Encl: as above.



(4)



F. No. 1121/IFSCA/Ins/IIIO/LMB/2023-24

Mrs. Dr. Jayasree Vallabhan,  
Principal Officer,  
M/s LMB Insurance Brokers Pvt. Ltd.,  
TC No. 4/698, Vikesh,  
Toll Junction, Kowdiar,  
Trivandrum - 695003

**Through Electronic Mail**

Madam,

**Subject: Non-compliance with regulatory framework of IFSCA - regarding**

The following instances of non-compliance with the regulatory framework of IFSCA by M/s LMB Insurance Brokers Pvt. Ltd. (IIIO/LMB) are brought to your attention –

1. **Non-commencement of business operations -**

- a) The IFSCA raised the matter of non-commencement of business operations with the IIIO vide para 3(a) of IFSCA's letter dated 05-Apr-2024, para 4 (a) of IFSCA's letter dated 31-Jan-2024 and para 2(d) of IFSCA's email dated 07-Mar-2024.
- b) In its response dated 17-Mar-2024, the IIIO informed that it has started branch office on 05-Feb-2024 but it could not commence business transactions for the want of GSTIN. It was submitted that the IIIO has received a temporary reference number and has already applied for GSTIN, which is expected to be received within a week's time. Further, it was informed that upon receipt of GSTIN, IIIO will comply with the requirements of SEZ and submit the commencement certificate issued by SEZ Authority.
- c) However, it is noted that till date neither any intimation on GSTIN nor certificate of commencement of operations issued, if any, by the SEZ Authority, is received by IFSCA.
- d) In terms of Reg. 12(4) of IFSCA (Insurance Intermediary) Regulations, 2021, an IIIO is mandated to commence business, for which it has been registered, within one hundred eighty (180) days from the date of grant of certificate by the Authority. Further, if an IIIO is not able to commence business within the specified period, it can, before the time expiry of the time, but at least thirty (30) days in advance, make an application, for an extension of time to the Chairperson of the Authority. It may be noted that –
  - (i) In this case, period of 180 days was expired on 29-Jul-2024 (since registration granted on 31-Jan-2024);
  - (ii) No application for an extension of time has been received by the Authority.

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INTERNATIONAL FINANCIAL SERVICES CENTRES AUTHORITY

Sector 8, Third Floor, Pragya Tower, Block 15, Zone 1, Road 10, GIFT SEZ, GIFT City,  
Gandhinagar-382 355, Gujarat, India. P: +91 79 6180 9800

**2. Non-payment of annual fees for FY 2024-25**

- a) In terms of Authority's Circular Ref No. 865/IFSCA/Banking/Fee Revision/2022-23 dated 17-May-2023, an IIO is mandated to pay the annual fee within 30 days of end of preceding financial year,
- b) The IFSCA on 05-Apr-2024 had granted renewal of CoR to LMB. In the said letter, at para 3(b), LMB was advised to make payment towards the applicable annual fees for FY 2024-25, and send an intimation to the Department of Insurance, IFSCA.
- c) The IFSCA vide emails dated 01-May-2024, 03-Jun-2024, and 01-Jul-2024 has sent reminders for payment of annual fees due to the Authority.
- d) However, it is noted, even after various reminders LMB has not remitted fee due to the Authority.

**3. In view of the above, the IIO is advised to submit the following –**

- a) status on commencement of business operations
- b) status on payment of applicable fee (including late fee, interest if any) to the Authority
- c) clarification/ response on repeated non-responsive behavior of the IIO towards the mandate of law and advices of the Authority, along with comments on as to why appropriate disciplinary action may not be initiated against the IIO for the aforesaid violations.

**4. LMB is accordingly advised to acknowledge this communication, ensure compliance and submit its compliance report within fifteen (15) days of the receipt of this communication.**

Yours Faithfully,



(Bhaskar Khadakhavi)  
General Manager



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LMB

**Insurance Brokers Pvt Ltd**(Licensed by Insurance Regulatory and  
Development Authority of India)

IRDAI License No:116

CIN: U66010KL2002PTCO15686

Category of License: Composite Insurance Brokers

Period of License: 18/02/2011 to 17/02/2027

www.lmbinsurancebrokers.com

Corporate Office

TC No 4/698, Vikesh, Toll Junction,

Kowdiar, Trivandrum, Pin: 695003

Phone : 0471-2430306, 2431303, 2432301

Email ID: info@lmbinsurancebroker.com

LMB/2024/1597

01/10/2024

To

**Shri Bhaskar Khadakhbavi**  
**General Manager, IFSCA**  
**Second & Third Floor, Pragya Tower**  
**Block-15, Zone-1, Road -1C**  
**GIFT SEZ, GIFT CITY**  
**Gandhinagar-382355**  
**Gujarat**

Sir,

**Sub:-Allegation of non-compliance with the regulatory framework of  
 IFSCA- reply reg:-**

**Ref:-Your letter 1121/IFSCA/Ins/1110/LMB/2023-24**

**Dated 17<sup>th</sup> September-2024**

We are in receipt of the registered letter referred to above by post on 25/9/2024 and hereby acknowledge the receipt of the same. We hereby submit our compliance report as desired therein.

### **1. Status on commencement of business operation.**

LMB Insurance Brokers (Pvt) Ltd is a Private Company incorporated under the Companies Act, 1956 in October 2002. Now the Company is governed by the Companies Act, 2013.

Our Company started Insurance Broking Services and activities in February 2003 after obtaining registration from IRDAI. We have more than 21 years of Insurance broking service to date...

To expand our Insurance broking service and activities our company decided to set up a new IFSC Unit in Gift-Multiservice -SEZ in Gandhinagar after obtaining the necessary letter of approval from Gift SEZ authorities and we approached them on 20.3.2023. Since our proposed



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Gandhinagar after obtaining the necessary letter of approval from Gift SEZ authorities and we approached them on 20.3.2023. Since our proposed business in composite Insurance broking they advised us to apply IFSCA also simultaneously. Accordingly, we filed a proper application to IFSCA also during July 2023 and informed the matter to SEZ authorities also.

The gift SEZ authorities in their letter of approval F.No GIFT/SEZ/DCO/11/003/2023-241665daetd 8<sup>th</sup> August 2023 informed us of the decision of the Development Commissioner to extend us all the facilities and entitlements admissible to a unit in the GIFT Multiservice Special Economic Zone. Subject to the terms and conditions mentioned in the letter of approval. In the said letter of approval, it is stated that the said approval will come into effect only after all approvals from IFSC authority /Regulatory authority are received by the unit and communicated to the office of the Development Commissioner.

The IFSCA in their letter F.No-1121/IFSC/INS/110/LMB -2023-24 dated 31.1.2024 pleased to grant us a certificate of registration to act as a composite broker subject to the terms and conditions mentioned therein for a period from 31.1.2024 to 17.2.2024. A Certificate of registration is also forwarded to us in the said letter.

Immediately after the receipt of the certificate of registration, we approached the GST authorities for GST registration in order to get SEZ tax benefits and also informed the Development Commissioner about the receipt of IFSCA registration.

We commenced business on 5.2.2024 and the same was reported to the development Commissioner on 15.2.2024 by email as desired in their letter of approval. It is true that regulation 12(4) of IFSCA (Insurance Intermediary )Regulation 2021 provides that an IIIO shall commence business for which it has been registered within 180 days from the date of grant of certificate by the IFSCA. In the letter of IFSCA dtd 31.01.2024 IFSCA granted a registration Certificate to us on condition to commence our business operation within the timelines as provided under regulations 12 (4).

The term commence business is not defined in the "Regulations". The term commencement of business has multiple meanings, including the date a company begins operations and the documents required to start business. In company law the commencement of a business certificate is the official declaration that the Director of a company needs to file with the Registrar



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of Companies. This declaration has to be filed by the directors of the company, within 180 days of its incorporation and before starting of its business. In IRDAI brokers regulations 2018 there is similar provision as in regulation 12(4).

In the renewal application we have informed that we had commenced business on 5.2.2024. It is true that during consideration of the renewal application by IFSCA, they have by mail enquired us of the date of commencement of business and we have informed the date as 5.2.2024 e-mail also. In the letter of IFSCA dated 31.1.2024 it was advised us to inform the date of proposed commencement of business and also immediately upon actual commencement of business. We have informed the date of commencement of business. Since we have not procured any business as per the registration certificate. We could not inform the actual commencement of business till date. Regulation 12(4) does not provide for the actual commencement of business after procuring business; it only provides for a company to start its business operation after all legal formalities. We thought that commencing business does not include the actual date of procuring business. This is the position followed under company law and also by IRDAI under Insurance Brokers Regulations 2018.

In view of the above precedents followed by IRDAI and company law, we thought actual procurement business is not necessary for fulfilling the condition laid down in Reg 12(4). If IFSCA insists on actual procurement data as the date of commencement of business. We may be given an opportunity to file an extension application after condoning the delay.

In para 1(a) of the letter referred to the averment is that IFSCA raised the matter of non-commencement of business operations with 11i0 vide para 3(a) of IFSCA 's letter dated 5.4.2024 para 4(a) of IFSCA 's letter dated 31.1.2024 and para 2(d) of IFSCA's email dated 7.3.2024 are not true to facts. In para 3(a) of IFSCA's letter dated 31.1.2024 it was advised as only to ensure compliance on para 4(a) of IFSCA's letter dated 31.1.2024.

If IFSCA has raised non-commencement of business operation with 11i0 in their letters referred to in para 1(a) we ought to have rectified the mistakes and comply with the instructions.

Appointing an employee in the unit and opening of the office are matters incidental to commence business. These matters were reported to the SEZ authority immediately after the receipt of the registration certificate from



IFSCA to comply with their instructions. The fact of receipt of registration was also reported to SEZ by us. We have also obtained GSTIN. It appears that the SEZ authority has not received any intimation from IFSCA regarding the certificate of registration granted to us.

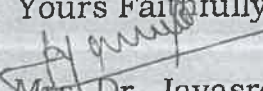
## 2. Non-payment of the annual fee for FY-2024-25.

The International Financial Services Centre Authority Act 2019 is a law passed by the parliament that mainly comes under entries 38, 45, and 47 of List I in the Seventh Schedule to the Constitution of India. Entry 96 of LIST I further provides that the parliament alone has the power to make law for imposing fees in any of the subjects in the matters laid down in List I . Accordingly Section 13(4) of the IFSCA Act provides that the provisions of respective Acts specified under column(3) of the first schedule relating to the determination or settlement as the case may be, of any fee or fine or penalty or any other sum of amount or punishment for the contravention of any of the provisions of respective Acts specified in the first schedule and recovery of such fine or penalty shall "mutatis mutandis" apply to financial products, financial services and financial institutions under such respective Act. The three Acts mentioned with respect to insurance in the first schedule are. Insurance Act, 1938. The General Insurance Business (Nationalization) Act, 1972 and The Insurance Regulatory and Development Authority Act, 1999. The said Acts do not contain any provision for imposing an annual fee from an Insurance broker and IRDAI has not realized any annual fee from an Insurance Broker. The Insurance Act of 1938 provides for imposing annual fee from an Insurance Company only. The annual fee now proposed in the circular of IFSCA from an insurance Intermediary is against the provisions of the IFSCA Act, IFSCA Intermediary Regulations, and also the Constitution of India.

Therefore it is humbly submitted that the proposed action to realize annual fee from us may be waived as per the provisions contained in the circular.

In view of our detailed clarification, it is further requested that the proposed action to initiate disciplinary action may kindly be dropped.

Thanking You,  
Yours Faithfully,

  
Mrs. Dr. Jayasree Sreevallabhan,  
Addl CMD and Principal Officer



अंतर्राष्ट्रीय वित्तीय सेवा केंद्र प्राधिकरण  
INTERNATIONAL FINANCIAL SERVICES CENTRES AUTHORITY

2 एवं 3 तल, प्रज्ञा टावर,  
गिफ्ट सिटी, गांधीनगर, गुजरात  
2<sup>nd</sup> and 3<sup>rd</sup> Floor, Pragya Tower,  
GIFT City, Gandhinagar, Gujarat

eF.No. IFSCA-Admn/21/2025-GAD

दिनांक/Date: 11.11.2025

GENERAL ORDER  
DELEGATION OF POWERS

In exercise of the powers conferred under Section 23 of the International Financial Services Centres Authority Act (IFSCA), 2019, approval of the Authority of the IFSCA is, hereby, conveyed to the modification of General Order No. 174/IFSCA/DOP/2020-21 dated 18-Jan-2021, Office Order No. IFSCA-Admn/9/2023-GA modifying Para IV of General Order No. 174/IFSCA/DOP/2020-21 dated 18th January 2021, Office Orders No. IFSCA-Admn/21/2025-GA dated 10th July 2025 and dated 31st October 2025, with respect to Enforcement Proceedings as indicated in Annexure-1.

2. Enforcement proceedings are those quasi-judicial proceedings which are initiated on account of breach/violation/non-adherence/non-compliance of the relevant provisions of the IFSCA Act, 2019, other Acts provided under Schedule I of the Act and Rules, Regulations, Circulars, Guidelines etc. issued thereunder (IFSCA Laws) and may not cover instances where the entities seek voluntary surrender or withdrawal of registration otherwise.
3. This DoP shall supersede existing DoPs insofar as delegation of enforcement powers are concerned.
4. All other provisions of the aforesaid Orders shall remain unaltered.
5. This Order shall come into force with immediate effect.



(Arun Kumar Singh)  
General Manager

Encls: As above.

1. All Employees of IFSCA (by email),
2. Office of Chairperson, IFSCA
3. HoDs/ Division Chiefs
4. Office Orders File

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## Delegation of Enforcement Powers

Sr. No.	Section/ Regulation	Details of power delegated	Authority to whom power is conferred under the Act/ Regulation	Existing Delegatee	Proposed Delegatee
<b>A. The Reserve Bank of India Act, 1934 read in conjunction with Section 12 and 13 of the IFSCA Act, 2019</b>					
1	45MAA	Power to take action against auditors	Authority	Not specified	Quasi-Judicial Authority for Enforcement
2	58G(1)	Power to impose penalties if the contravention or default of the nature referred to in section 58B is committed by a non-banking financial company	Authority	Not specified	Quasi-Judicial Authority for Enforcement
<b>B. The Banking Regulation Act, 1949 read in conjunction with Section 12 and 13 of the IFSCA Act, 2019</b>					
1	22(4)	Power to cancel licence granted to a banking company	Authority	Chairperson	Chairperson/WTM on the recommendation of the Advisory Committee for Enforcement
2	23(4)	Power to revoke permission	Authority	Chairperson	Quasi-Judicial Authority for Enforcement
3	47A(1)	Power to impose penalty on banking company for non-compliance or breaches as mentioned in the said section	Authority	Chairperson	Quasi-Judicial Authority for Enforcement
<b>C. The Foreign Exchange Management Act, 1999 read in conjunction with Section 12 and 13 of the IFSCA Act, 2019</b>					
1	11(1), 11(3)	Power to issue direction to authorized	Authority	Not specified	Quasi-Judicial Authority for Enforcement



		cancellation of registration			
<b>Y. IFSCA (KYC Registration Agency) Regulations, 2025</b>					
1	31(1)	Suspension or Cancellation of registration  Any other appropriate enforcement action other than suspension or cancellation of registration	Authority	Chairperson	Chairperson/WTM on the recommendation of the Advisory Committee for Enforcement  Quasi-Judicial Authority for Enforcement
<b>Z. IFSCA (Techfin and Ancillary Services) Regulations, 2025</b>					
1	19(1)	Suspension or Cancellation of registration  Any other appropriate enforcement action other than suspension or cancellation of registration	Authority	Chairperson	Chairperson/WTM on the recommendation of the Advisory Committee for Enforcement  Quasi-Judicial Authority for Enforcement

**Notes:**

1. All powers in respect of enforcement actions which are not specifically mentioned in the above table, and which are exercisable by the Authority shall be exercisable by the Chairperson or by a Quasi-Judicial Authority for Enforcement constituted by the Chairperson.

**2. Quasi-Judicial Authority for Enforcement/Advisory Committee for Enforcement:**

2.1 A Committee of 3 officers of the rank of EDs/CGMs shall be constituted by the Chairperson in each case after issuance of Show Cause Notice to decide enforcement action in capacity of Quasi-Judicial Authority for Enforcement or to recommend enforcement action as Advisory Committee for Enforcement, as applicable. Where the Committee is exercising quasi-judicial



functions, the Committee will be called “Quasi-Judicial Authority for Enforcement” and comply with the principles of natural justice besides complying with applicable procedure in accordance with law. Where the Committee is recommending an enforcement action and the quasi-judicial decision will be taken by the higher authority, the Committee will be called “Advisory Committee for Enforcement”.

2.2 The 3 members of Quasi-Judicial Authority for Enforcement/Advisory Committee for Enforcement shall be appointed, unless otherwise provided in any specific case/provision, one each from:

- i. Enforcement Division;
- ii. The Sector to which the violation pertains to except the officer of the Department/Division which has referred the case to the Enforcement Division. If no such officer is available, then officer from any other sector may be appointed; and
- iii. The Sector other than the sector to which violation pertains to.

2.3 Secretarial assistance to the Quasi-Judicial Authority/Advisory Committee will be provided by the Enforcement Division.

2.4 Show Cause Notice in respect of enforcement proceedings under IFSCA Laws shall be issued by the CGM, Enforcement Division and in his/her absence, by his /her link officer.

2.5 The Quasi-Judicial Authority for Enforcement shall give personal hearing and issue speaking order.

3. Registration/License/Recognition shall not be cancelled/withdrawn by the authority lower in rank than that of the officer who granted it.



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