



File No. eF.No. IFSCA-RPRA0EFD/17/2025-RPRA

Date: January 16, 2026

To

Karvy Broking (IFSC) Limited

Unit No. 323, Signature Building,

Third Floor, Block 13B,

Road 1C, Zone-1, GIFT SEZ,

Gift City, Gandhinagar

(E-mails- compsec@karvy.com)

Madam/Sir,

Sub: Show Cause Notice issued under Section 12 and 13(4) of the International Financial Services Centres Authority Act, 2019 read with Section 12(3), Section 11B(1) and 11B(2) of the Securities and Exchange Board of India Act, 1992 read with Regulation 68(1) the International Financial Services Centres Authority (Capital Market Intermediaries) Regulations, 2021 read with Regulation 41(1) and 47(3) of the International Financial Services Centres Authority (Capital Market Intermediaries) Regulations, 2025.

A. Background

1. Karvy Broking (IFSC) Limited (hereinafter refer to as "KBIL/Noticee) is registered as stockbroker with registration number INZ000213735. Karvy Stock Broking Limited, the promoter entity of the Noticee, was suspended by the National Stock Exchange of India Limited and the BSE Limited had deactivated the trading terminal of the said promoter entity with effect from December 02, 2019. On account of the same, India International Exchange (IndiaINX) had deactivated the trading terminal of the Noticee with effect from December 02, 2019.

2. Whereas the Noticee has not submitted the quarterly reports from Quarter 4 FY 2023-24 to Quarter 2 FY 2025-26. In view of the same, it is alleged that the Noticee has violated **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



Circular F. No. 1/IFSCA/CMI Supervision/2023-24 read with Regulation 15(2) of the International Financial Services Centres Authority (Capital Market Intermediaries) Regulations, 2021 (CMI Regulations, 2021) read with corresponding provisions of Regulations 17(3) and 47(3) of the International Financial Services Centres Authority (Capital Market Intermediaries) Regulations, 2025 (CMI Regulations, 2025).

B. Facts of the case

1. The International Financial Services Centres Authority (IFSCA) has issued Circular F. No. 1/IFSCA/CMI Supervision/2023-24 dated February 08, 2024 requiring all Capital Market Intermediaries (CMIs) in IFSC to submit quarterly reports in the formats prescribed by the Authority within 15 days of the end of the quarter. The Noticee being a registered CMI was under an obligation to submit the quarterly reports within the time stipulated above.
2. The IFSCA has issued a letter dated February 07, 2025 to IndiaINX directing it to issue warning letter to the Noticee in respect of non-submission of quarterly reports. Copy of the warning letter dated February 17, 2025, issued by IndiaINX is attached at Annexure A.
3. Whereas even after issuance of the aforesaid warning letter the Noticee has not submitted the Quarterly reports.

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

On the basis of the abovementioned observations/finding of facts, it is alleged that the Noticee has committed following violations:

Allegation: Non-submission of quarterly reports

1.1 Relevant Facts:

- 1.1.1 The Noticee has not submitted the quarterly reports from Quarter 4 FY 2023-24 to Quarter 2 FY 2025-26 within the stipulated time mentioned in Circular dated February 8, 2024.
- 1.1.2 Further, since the Noticee did not submit the quarterly report, it is under obligation to submit the quarterly report along with late submission fees in terms of Circular F.No.865/IFSCA/Banking/Fee Revision/2022-23 dated May 17, 2023 read with Circular IFSCA-DRFA/1/2025 dated April 8, 2025.



1.2 Applicable Law:

- 1.2.1 Regulation 15(2) of the CMI Regulations, 2021 states that *“A registered capital market intermediary shall furnish such reports, returns, statements and particulars, in such manner, interval and form, as may be specified by the Authority from time to time”*.
- 1.2.2 Regulation 17(3) of the CMI Regulations, 2025 states that *“A registered capital market intermediary shall furnish such reports, returns, statements and particulars, in such manner, interval and form, as may be specified by the Authority from time to time”*.
- 1.2.3 Clause 3 of the Circular F. No. 1/IFSCA/CMI Supervision/2023-24 dated February 08, 2024 states that: *“While the first report under this Circular, corresponding to the period October 01, 2023 to December 31, 2023, shall be submitted latest by February 28, 2024, the subsequent reports for each quarter shall be submitted within 15 calendar days from the end of the quarter”*.

1.3 Findings: In view of the relevant facts mentioned at para 1.1 above, it is alleged that the Noticee has violated Circular F. No. 1/IFSCA/CMI Supervision/2023-24 read with Regulation 15(2) of the CMI Regulations, 2021 read with corresponding provisions of Regulation 17(3) and Regulation 47(3) of the CMI Regulations, 2025.

- D. In view of the aforesaid alleged violation, the Noticee is hereby called upon to show cause as to why appropriate actions should not be initiated against it under Section 12 and 13(4) of the International Financial Services Centres Authority Act, 2019 read with Section 12(3), Section 11B(1) and 11B(2) (read with section 15A(a)) of the Securities and Exchange Board of India Act, 1992 read with Regulation 68(1) the CMI Regulations, 2021 read with Regulation 41(1) and 47(3) of the CMI Regulations, 2025. The said provisions are quoted below for ready reference:

Section 12 of the International Financial Services Centres Authority Act, 2019

“12. (1) Subject to the provisions of this Act, it shall be the duty of the Authority to develop and regulate the financial products, financial services and financial institutions in the International Financial Services Centres, by such measures as it deems fit.



(2) Without prejudice to the generality of the provisions in sub-section (1), the powers and functions of the Authority shall include—

(a) regulating the financial products, financial services and financial institutions in an International Financial Services Centre which have been permitted, before the commencement of this Act, by any regulator for any International Financial Services Centre;

(b) regulating such other financial products, financial services or financial institutions in the International Financial Services Centres as may be notified by the Central Government from time to time;

(c) recommending to the Central Government such other financial products, financial services and financial institutions which may be permitted in an International Financial Services Centre by the Central Government;

(d) perform such other functions as may be prescribed.”

Section 13(4) of the International Financial Services Centres Authority Act, 2019 provides that:

"(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."

Section 11B of the Securities and Exchange Board of India Act, 1992

"11B. (1) Save as otherwise provided in section 11, if after making or causing to be made an enquiry, the Board is satisfied that it is necessary—



- (i) in the interest of investors, or orderly development of securities market; or
- (ii) to prevent the affairs of any intermediary or other persons referred to in section 12 being conducted in a manner detrimental to the interests of investors or securities market; or
- (iii) to secure the proper management of any such intermediary or person, it may issue such directions,—
- (a) to any person or class of persons referred to in section 12, or associated with the securities market; or
- (b) to any company in respect of matters specified in section 11A, as may be appropriate in the interests of investors in securities and the securities market.

Explanation.— For the removal of doubts, it is hereby declared that the power to issue directions under this section shall include and always be deemed to have been included the power to direct any person, who made profit or averted loss by indulging in any transaction or activity in contravention of the provisions of this Act or regulations made thereunder, to disgorge an amount equivalent to the wrongful gain made or loss averted by such contravention.

(2) Without prejudice to the provisions contained in sub-section (1), sub-section (4A) of section 11 and section 15-I, the Board may, by an order, for reasons to be recorded in writing, levy penalty under sections 15A, 15B, 15C, 15D, 15E, 15EA, 15EB, 15F, 15G, 15H, 15HA and 15HB after holding an inquiry in the prescribed manner.”

Section 12(3) of the Securities and Exchange Board of India Act, 1992 provides that:

"(3) The Board may, by order, suspend or cancel a certificate of registration in such manner as may be determined by regulations:

Provided that no order under this sub-section shall be made unless the person concerned has been given a reasonable opportunity of being heard."

Section 15A(a) of the Securities and Exchange Board of India Act, 1992

"15A. If any person, who is required under this Act or any rules or regulations made thereunder,— (a) to furnish any document, return or report to the Board, fails to furnish the same or who furnishes or files false, incorrect or incomplete information, return, report, books or other documents, he shall be liable to a penalty which shall not be less than one lakh rupees but which may extend to one lakh rupees for each day during which such failure continues subject to a maximum of one crore rupees;..."



Regulations 68(1) of the CMI Regulations, 2021:

" Suspension, cancellation of registration or any other actions.

68. (1) *The Authority may take such action as deemed fit, including suspension or cancellation of registration, against a capital market intermediary if it:*

- (a) fails to comply with any conditions subject to which a certificate of registration has been granted;*
- (b) contravenes any of the provisions of the Act or rules or regulations or circulars or guidelines or directions or instructions issued thereunder....."*

Regulation 41(1) of the CMI Regulations, 2025

41. Suspension, cancellation of registration or any other actions

(1) The Authority may take such action as deemed fit, including suspension or cancellation of registration, against a CMI if it:

- (a) fails to comply with any conditions subject to which a certificate of registration has been granted;*
- (b) contravenes any of the provisions of the Act or any rules, regulations, notifications, circulars, guidelines, directions, instructions issued under the Act or any other relevant statute;*
- (c) fails to furnish any information relating to its activity as a capital market intermediary as directed by the Authority;*
- (d) furnishes to the Authority information which is false or misleading in any material particular;*
- (e) does not submit periodic returns or reports as directed by the Authority;*
- (f) does not co-operate in any enquiry, inspection or investigation conducted by the Authority;*
- (g) fails to resolve the complaints of investors or fails to give a satisfactory reply to the Authority; or*
- (h) commits any other act/omission which in the opinion of the Authority warrants such action or which is against the interest of the investors...."*

Regulation 47(3) of the CMI Regulations, 2025 provides that:

"(3) Notwithstanding such repeal and supersession, -



- (a) anything done or any action taken or purported to have been done or taken including registration or approval granted, suspended or cancelled, fees collected, any adjudication, enquiry or investigation commenced or show-cause notice issued, under the repealed regulations, superseded circulars, shall be deemed to have been done or taken or commenced under the corresponding provisions of these regulations;
- (b) any application made to the Authority under the repealed regulations, prior to such repeal, and pending before it shall be deemed to have been made under the corresponding provisions of these regulations;
- (c) the previous operation of the repealed regulations, superseded circulars or anything duly done or suffered thereunder, any right, privilege, obligation or liability acquired, accrued or incurred under the repealed regulations, any penalty incurred in respect of any violation committed against the repealed regulations, or any investigation, legal proceeding or remedy in respect of any such right, privilege, obligation, liability, penalty as aforesaid, shall remain unaffected as if the repealed regulations have never been repealed.”

3. 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 the Noticee may wish to rely upon in support of their contentions, failing which it will be construed that the Noticee has no submissions to make, and IFSCA shall be free to proceed with the matter ex-parte, on the basis of material available on record in accordance with the applicable laws.

Enforcement Division

International Financial Services Centres Authority

2nd & 3rd Floor, PRAGYA Tower, Block 15, Zone 1,

Road 1C, GIFT SEZ, GIFT City, Gandhinagar,

Gujarat - 382 355

4. The Noticee is further advised to keep IFSCA informed about the change in their correspondence address, if any, and provide updated e-mail ID and phone number.
5. This Notice is issued without prejudice to the rights of IFSCA to initiate any other actions for the aforesaid violations in terms of the applicable laws.



6. This Notice is issued by the undersigned in terms of the power delegated by Note no. 2.4 of the Delegation of Powers Order dated November 11, 2025 issued vide eF.No. IFSCA-Admn/21/2025-GAD. The relevant pages of the Order are enclosed at Annexure B.
7. The Noticee may also indicate in their reply as to whether they require a personal hearing.

Yours faithfully,

16.01.2026
Gyan Chand Jain
Chief General Manager

Enforcement Division

International Financial Services Centres Authority

List of Annexures:

- A. Warning Letter issued by IndiaINX to the Noticee (Page 1)
B. Relevant pages of Delegation of Powers (Page 2-5)

Annexure A

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INDIA IN
INDIA INTERNATIONAL EXCHANGE

INX/ADV/20250217/05

February 17, 2025

KARVY BROKING (IFSC) LIMITED
UNIT NO 323, 3rd FLOOR, SIGNATURE BUILDING,
BLOCK-13B, ROAD 1C, ZONE-1, GIFT SEZ
GIFT CITY, GANDHINAGAR
GUJARAT, INDIA

Dear Sir/Madam,

Subject: Non-Submission of Quarterly Reports

As per IFSCA circular no. - F. No. 1/IFSCA/CMI Supervision/2023-24, dated February 08, 2024, Members are required to submit Quarterly Reports in format required by Authority within 15 days of end of quarter.

The Exchange is in receipt of formal communication from IFSCA pertaining to non-submission of details required in quarterly reports for Jan-Mar 2024, April-Jun 2024 and July-Sept 2024 from your end.

In view of the above, it is strictly advised to submit the details as required in quarterly reports for above-mentioned period with payment of late submission fees (copy circular pertaining to applicable fees is enclosed as Annexure -1) in the prescribed format on or before February 19, 2025, to avoid any disciplinary action for such non-compliance.

Further, you are also advised to setup the mechanism to ensure such non-compliance should not be occurred in future. Any repetitive type of non-compliance will be considered seriously, and suitable action may be taken as per the IFSCA (Capital Market Intermediaries) Regulations, 2021 and circular/guidance/notification etc. issued thereunder.

For and on behalf of India International Exchange (IFSC) Limited



Jay Soni
Manager- Regulatory



India International Exchange (IFSC) Limited

(Formerly BSE International Exchange (IFSC) Limited)

Registered Address: 1st Floor, Unit No. 101, The Signature, Building No. 13B, Road 1C, Zone - 1, GIFT SEZ, GIFT City, Gandhinagar, Gujarat - 382 355
Tel. No. : +91-79-6199 3100 | Fax No. : +91-79-6199 3185 | www.indiainx.com | Corporate Identity Number : U67190GJ2016PLC093684

अंतर्राष्ट्रीय वित्तीय सेवा केंद्र प्राधिकरण
INTERNATIONAL FINANCIAL SERVICES CENTRES AUTHORITY

2 एवं 3 तल, प्रज्ञा टावर,
गिफ्ट सिटी , गांधीनगर, गुजरात
2nd and 3rd 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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Annexure-1

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
A. The Reserve Bank of India Act, 1934 read in conjunction with Section 12 and 13 of the IFSCA Act, 2019					
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. The Banking Regulation Act, 1949 read in conjunction with Section 12 and 13 of the IFSCA Act, 2019					
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
C. The Foreign Exchange Management Act, 1999 read in conjunction with Section 12 and 13 of the IFSCA Act, 2019					
1	11(1), 11(3)	Power to issue direction to authorized	Authority	Not specified	Quasi-Judicial Authority for Enforcement



		cancellation of registration			
Y. IFSCA (KYC Registration Agency) Regulations, 2025					
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
Z. IFSCA (Techfin and Ancillary Services) Regulations, 2025					
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



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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.

