IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATED: 11-08-2026

CORAM

THE HON'BLE MR.JUSTICE D.BHARATHA CHAKRAVARTHY

WP No. 36429 of 2025
AND
WMP NO. 69 OF 2026 & WMP NO. 50183 OF 2025

M.Ashok Mootha,
Flat No.2, Aashirwadh Apartments,
T. Nagar, Chennai-600 017.

..Petitioner(s)

Vs

1. Securities And Exchange Board Of India,
   Plot No.C4-A, G Block,
   Bandra-kurla Complex,
   Bandra (e) Mumbai-400 051.

2. National Stock Exchange Of India Limited,
   Exchange Plaza, C-1, Block G,
   Bandra-kurla Complex,
   Bandra (e) Mumbai-400 051.

..Respondent(s)

PRAYER: Writ Petition is filed under Article 226 of the Constitution of India, pleased to issue a Writ of certiorari, calling for the records of the Show cause Notice dated July 23, 2025 under reference SEBI/MIRSD-RAC/OW/2025/18490/1 and the Recovery Certificate No.8859 of 2025 dated 12.08.2025 issued by the 1st Respondent SEBI.

For Petitioner(s): M/s.J.S.Kingsley

For Respondent(s): M/s.C.Prasanna Venkatesh For R1
Mr.P.Giridharan for R2

Order

The prayer in the Writ Petition is to issue a Writ of Certiorari, calling for the records relating to the show cause notice dated 23.07.2025 and the Recovery Certificate No.8859 of 2025 dated 12.08.2025 issued by the first respondent and to quash the same.

2.The learned counsel for the petitioner, by taking this Court to the show cause notice, would submit that the show cause notice dated 23.07.2025 was issued by making certain allegations and was received by the petitioner only on 01.08.2025. The show cause notice itself grants a time of 21 days for the petitioner to submit his reply. However, without waiting for the mandatory period as mentioned in the show cause notice, the impugned Recovery Certificate was issued on 12.08.2025 itself and, as such, he is before this Court. The learned counsel would further submit that, when the claim relates to the year 1997-1998, it is clearly barred by limitation and the respondent cannot, in any event, indulge in such an exercise, as it is violative of the principles of natural justice, in as much as the final order was passed within 21 days of the issuance of show cause notice.

3.In reply thereto, the learned counsel appearing on behalf of the first respondent would submit that the show cause notice was issued for the different purpose of cancellation of registration. No further orders have been passed pursuant to the show cause notice. As far as the Recovery Certificate is concerned, it relates to non-payment of turnover fees, which had become final, and thereafter, by way of issuing interest along with the GST, the Recovery Certificate was issued under Section 23 JB of the Securities Contracts (Regulation) Act, 1956. Both are not related to each other in the sense that the show cause notice was not issued in connection with the Recovery Certificate. As against the Recovery Certificate or any other order under the provisions of both the Acts, a remedy is available before the Tribunal, as contained under Section 15 (T) of the SEBI Act and Section 23(l) of the Securities Contract Regulation Act, 1956.

4.I have considered the rival submissions made on either side and perused the material records of the case. A reading of paragraph No.5 of the show cause notice clearly calls upon the petitioner to show cause as to why the certificate of Registration granted under the Act and the regulations made thereunder should not be cancelled under Regulation 30-A of the SEBI (Intermediaries) Regulations, 2008, read with section 12(3) of the SEBI Act, 1992. Therefore, it can be seen that the recovery certificate issued by way of the impugned order dated 12.08.2025 has got nothing to do with the same. Even as on today, it is not mentioned that any final orders have been passed in view there of with reference to the cancellation of his license. I am of the view that one more opportunity can be granted to the petitioner to submit his reply, if any, within a period of 10 days from the date of receipt of the web copy of the order, upon which the same shall be considered by the authority.

5.As far as the second impugned order, namely, the Recovery Certificate dated 12.08.2025 is concerned, a perusal, thereof shows that it has been issued pursuant to non-payment of turnover fees in the year 1988 and, by calculating further interest from 16.12.1988 upto 12.08.2025, the amount is calculated and, further adding the GST, the total amount is calculated and the certificate is issued in this regard. If at all the petitioner is aggrieved by the determination order, the petitioner ought to have challenged the determination itself. Even with reference to the imposition of penalty or interest, it was open for the petitioner to file an appeal contained in Section 15 (T) of the SEBI Act, read with Section 23(l) of the Securities Contracts (Regulation) Act, 1956. In view thereof, with reference thereto, if the application is maintainable at this point of time, the liberty of the petitioner is kept open to approach the appropriate Tribunal in the manner known to law.

6.With the above observations, this Writ Petition stands disposed of. Consequently, the connected Miscellaneous Petitions are closed.

11-08-2026

Neutral Citation: Yes

AH

To

1. Securities And Exchange Board Of India,
   Plot No.C4-a, G Block,
   Bandra-kurla Complex,
   Bandra (e) Mumbai-400 051.

2. National Stock Exchange Of India Limited,
   Exchange Plaza, C-1, Block G,
   Bandra-kurla Complex,
   Bandra (e) Mumbai-400 051.

D.BHARATHA CHAKRAVARTHY J.

AH

WP No. 36429 of 2025
AND
WMP NO. 69 OF 2026 &
WMP NO. 50183 OF 2025

11-08-2026