**IN THE SECURITIES APPELLATE TRIBUNAL
AT MUMBAI**

DATED THIS THE 13TH DAY OF FEBRUARY, 2026

**CORAM: Justice P.S. Dinesh Kumar, Presiding Officer
Ms. Meera Swarup, Technical Member
Dr. Dheeraj Bhatnagar, Technical Member**

Appeal No.116 of 2025
[Along with Misc. Application Nos.232, 233 and 881 of 2025]

Pace Stock Broking Services Pvt. Ltd.
C-3, Okhla Industrial Area,
Phase I, New Delhi 110020. …..Appellant

(By Mr. J P Sen, Senior Advocate with Ms. Yugandhara Khanwilkar, Ms. Ragini Singh, Ms. Priya Rai and Mr. Rohan Phadke, Advocates i/b. ThinkLaw Advocates for the Appellant.)

Securities and Exchange Board of India
SEBI Bhavan, Plot No.C4-A,
G-Block, Bandra Kurla Complex,
Bandra (East), Mumbai – 400051. …Respondent

(By Mr. Vishal Kanade, Advocate with Mr. Manish Chhangani, Mr. Sumit Yadav, Mr. Abhay Chauhan and Mr. Atul Agrawal, Advocates i/b. The Law Point for the Respondent.)

With
Appeal No.117 of 2025
[Along with Misc. Application Nos.235, 236 237 and 880 of 2025]

Share India Securities Ltd.
A-15, Sector-64, Noida,
Gautam Buddha Nagar,
Uttar Pradesh – 201301. …..Appellant

(By Mr. J P Sen, Senior Advocate with Ms. Yugandhara Khanwilkar, Ms. Ragini Singh, Ms. Priya Rai and Mr. Rohan Phadke, Advocates i/b. ThinkLaw Advocates for the Appellant.)

Securities and Exchange Board of India
SEBI Bhavan, Plot No.C4-A,
G-Block, Bandra Kurla Complex,
Bandra (East), Mumbai – 400051. …Respondent

(By Mr. Manish Chhangani, Advocate with Mr. Sumit Yadav, Mr. Abhay Chauhan and Mr. Atul Agrawal, Advocates i/b. The Law Point for the Respondent.)

With
Appeal No.118 of 2025
[Along with Misc. Application Nos.238, 239, 240, 648 and 875 of 2025]

Adroit Financial Services Pvt. Ltd.
D-1101-1102, D-Wing, 11th Floor,
Lotus Corporate Park, Goregaon (East),
Mumbai – 400063. …..Appellant

(By Mr. Pesi Modi, Senior Advocate with Mr. Neville Lashkari, Ms. Yugandhara Khanwilkar, Ms. Ragini Singh, Ms. Priya Rai and Mr. Rohan Phadke, Advocates i/b. ThinkLaw Advocates for the Appellant.)

Securities and Exchange Board of India
SEBI Bhavan, Plot No.C4-A,
G-Block, Bandra Kurla Complex,
Bandra (East), Mumbai – 400 051. …Respondent

(By Mr. Shiraz Rustomjee, Senior Advocate with Mr. Manish Chhangani, Mr. Sumit Yadav, Mr. Abhay Chauhan and Mr. Atul Agrawal, Advocates i/b. The Law Point for the Respondent)

With
Appeal No.119 of 2025
[Along with Misc. Application Nos.241, 242 243 and 879 of 2025]

SMC Global Securities Ltd.
11/6B, Shanti Chambers,
Pusa Road, Delhi 110005. …..Appellant

(By Mr. J P Sen, Senior Advocate with Ms. Yugandhara Khanwilkar, Ms. Ragini Singh, Ms. Priya Rai and Mr. Rohan Phadke, Advocates i/b. ThinkLaw Advocates for the Appellant.)

Securities and Exchange Board of India
SEBI Bhavan, Plot No.C4-A,
G-Block, Bandra Kurla Complex,
Bandra (East), Mumbai – 400 051. …Respondent

(By Mr. Vishal Kanade, Advocate with Mr. Manish Chhangani, Mr. Sumit Yadav, Mr. Abhay Chauhan and Mr. Atul Agrawal, Advocates i/b. The Law Point for the Respondent)

With
Appeal No.120 of 2025
[Along with Misc. Application Nos.244, 245 246 and 882 of 2025]

Yug Securities Pvt. Ltd.
8/1 Ashoka Chamber, 5B Rajindra Park,
Pusa Road Delhi – 110060. …..Appellant

(By Ms. Yugandhara Khanwilkar, Advocate with Ms. Ragini Singh, Ms. Priya Rai and Mr. Rohan Phadke, Advocates i/b. ThinkLaw Advocates for the Appellant.)

Securities and Exchange Board of India
SEBI Bhavan, Plot No.C4-A,
G-Block, Bandra Kurla Complex,
Bandra (East), Mumbai – 400 051. …Respondent

(By Mr. Shiraz Rustomjee, Senior Advocate with Mr. Manish Chhangani, Mr. Sumit Yadav, Mr. Abhay Chauhan and Mr. Atul Agrawal, Advocates i/b The Law Point for the Respondent)

THESE APPEALS ARE FILED UNDER SECTION 15T OF SEBI ACT, 1992 TO SET ASIDE SEBI's SHOW CAUSE NOTICES[1] AND EMAILS[2].

THESE APPEALS HAVING BEEN HEARD AND RESERVED FOR ORDERS ON, DECEMBER 17, 2025, COMING ON FOR PRONOUNCEMENT OF ORDER THIS DAY, THE TRIBUNAL MADE THE FOLLOWING:

ORDER

Per: Justice P.S. Dinesh Kumar, Presiding Officer

These five appeals are directed against

- separate show cause notices[3] issued by the SEBI[4] alleging violation of the SEBI Act, 1992[5] and SEBI

[1] Dated 01.09.2023 in Appeal No.116 of 2025; dated 29.08.2023 in Appeal No.117 of 2025; dated 29.08.2023 in Appeal No.118 of 2025; dated 07.09.2023 in Appeal No.119 of 2025; dated 22.08.2023 in Appeal No.120 of 2025.
[2] Dated 28.01.2025 in Appeal No.116 of 2025; dated 29.01.2025 in Appeal No.117 of 2025; dated 29.01.2025 in Appeal No.118 of 2025; dated 10.02.2025 in Appeal No.119 of 2025; dated 03.02.2025 in Appeal No.120 of 2025.
[3] Dated 01.09.2023 in Appeal No.116 of 2025; dated 29.08.2023 in Appeal No.117 of 2025; dated 29.08.2023 in Appeal No.118 of 2025; dated 07.09.2023 in Appeal No.119 of 2025; dated 22.08.2023 in Appeal No.120 of 2025.
[4] Securities and Exchange Board of India
[5] Securities and Exchange Board of India Act, 1992

(PFUTP) Regulations, 2003[6], calling upon the appellants to show cause why directions for disgorgement of unlawful gain and other directions should not be issued;

- emails[7] issued to the appellants.

2. These appeals are heard simultaneously and disposed of by this common order.

3. We have heard Mr. J P Sen, learned Senior Advocate for the appellants in Appeal Nos. 116, 117 and 119 of 2025; Mr. Pesi Modi, learned Senior Advocate for appellant in Appeal No.118 of 2025 and Ms. Yugandhara Khanwilkar, learned Advocate for appellant in Appeal No.120 of 2025 and Mr. Shiraz Rustomjee, learned Senior Advocate for the SEBI.

4. Brief facts of appellants' case are:

- Appellants herein are stock brokers registered with NSEIL[8] ('NSE' for short). In 2010, NSE launched its co-location facility which allowed its members to avail rack space for secondary servers on rent in NSE's own premises and thereby enjoy lower latency connectivity to the exchange. Appellants availed the co-location services.

- In 2015, NSE received some complaints alleging unfair access in relation to co-location facility. NSE appointed

---

[6] Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices Relating to Securities Market) Regulations, 2003

[7] Dated 28.01.2025 in Appeal No.116 of 2025; dated 29.01.2025 in Appeal No.117 of 2025; dated 29.01.2025 in Appeal No.118 of 2025; dated 10.02.2025 in Appeal No.119 of 2025; dated 03.02.2025 in Appeal No.120 of 2025

[8] National stock Exchange of India Limited

Deloitte[9] to examine whether there was any breach and unlawful gains through such accessing.

- In 2017, NSE appointed Ernst & Young ('E&Y' for short) to conduct a forensic review and E&Y submitted its report in 2018.

- In 2019, NSE engaged E&Y to determine, in relation to seven trading members to find out if there was any preferential treatment to any member.

- After investigation, proceedings were initiated by the AO[10], SEBI and he held that there was no fraudulent activity committed by the appellants and dismissed the charges relating to fraud under PFUTP[11] Regulations. However, the AO imposed penalty for other violations and the same has been paid.

- In 2021, while proceedings initiated by the AO were in progress, SEBI appointed ISB[12] to reinvestigate into the matter and ISB submitted its report in 2023. Thereafter, SEBI has issued the impugned notices.

- After issuance of the impugned notices, appellants sent several communications to the SEBI challenging the SCNs on the grounds of delay etc., and requested the SEBI to withdraw the SCN. In January 2025, appellants again

---

[9] Deloitte Touche Tohamatsu India LLP
[10] Adjudicating Officer
[11] Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices Relating to Securities Market) Regulations, 2003
[12] Indian school of Business

raised the issue of sustainability of SCN and requested to withdraw the same. In response, SEBI has sent emails[13] stating that the matter will be proceeded with and all objections would be dealt in the final order on merits. It was also informed that if the noticees desired to forego the right to reply on merits, they could so indicate or file their replies on merits. Those emails are under challenge in these appeals.

5. The appeals were presented in February 2025 and certain pleadings were amended in August 2025 challenging the internal file notings made by the SEBI's officials with a prayer to quash those notings and the proceedings initiated thereon.

6. The mains grounds urged by Mr. J. P. Sen, learned Senior Advocate, Mr. Pesi Modi, learned Senior Advocate, Ms. Yugandhara Khanwilkar, learned Advocate for the appellants are:

i. That the alleged period of investigation is from June 2010 till April 2014 which is about 9 to 13 years prior to the SCN issued in 2023. The alleged complaints were received in 2015. Numerous reports were commissioned and also made by SEBI's Cross Functional Team, Technical Advisory Committee, Deloitte, E&Y, ISB etc. Hence, SEBI cannot be permitted to keep commissioning and relying on new

[13] Dated 28.01.2025 in Appeal No.116 of 2025; dated 29.01.2025 in Appeal No.117 of 2025; dated 29.01.2025 in Appeal No.118 of 2025; dated 10.02.2025 in Appeal No.119 of 2025; dated 03.02.2025 in Appeal No.120 of 2025.

reports to repeat initiation of proceedings on the same set of facts and allegations.

ii. That both ISB reports compute alleged wrongful profits earned by connecting to the secondary server, but there is no finding to the effect that the connections were without valid reasons. Appellants cannot be expected to have the records of telephone calls or memory of specific problems encountered on the primary server which might have caused the appellants to move to the secondary server. Several employees taking such directions at the relevant time are no longer in service. Even as per Regulation 17 and 18 of SEBI (Stock Broker) Regulations, 1992, a broker is required to maintain records only for five years. Thus, delay in initiating the proceedings is unsustainable.

iii. That, appellants have challenged the orders passed by the AO in appeals before this Tribunal. Some of them are part-heard. SEBI cannot be permitted to defend those appeals and at the same time commence new proceedings on the same set of facts and allegations based on new method of computation of disgorgement as the same undermines the authority and jurisdiction of this Tribunal.

iv. That, SEBI's objection with regard to delay in filing these appeals is untenable because appellants had been repeatedly calling upon the SEBI to withdraw the proceedings, at least since November 2023. It is only in January 2025, SEBI replied stating that it would consider all issues together and thereafter these appeals have been filed. Hence reckoned from the date of SEBI's reply these appeals are within the statutory period of limitation. However, out of abundant precaution, applications for condonation of delay have also been filed.

v. That, the order passed by the SEBI in 2019 was disclosed only during the inspection proceedings in March 2024 by way of a CD containing over 1000 pages.

vi. That, the nature of charges and findings in brief in SEBI's both investigation reports and SEBI's purported analysis are identical except the reference to the 2023 ISB report which applied a different and unique mode of computation of alleged abnormal profits, but failed to comply with the instructions in the impugned order passed in 2019. Merely setting up a new method of computation cannot justify fresh proceedings all over again to circumvent the fact that the SEBI failed to avail its remedy under Section 15I (3) within the prescribed time period.

vii. That, the 2023 SCNs are patently untenable because they are based on the same set of facts with fresh allegation of violation of Regulations 3(b), 3(c) and 3(d) of PFUTP Regulations. SEBI is defending the previous order passed by the AO pending before this

Tribunal, wherein it is held that there was no violation of those provisions. Consequently, SEBI could not have commenced fresh proceedings on the same set of facts contrary to previous orders passed by the AO, SEBI.

viii. That the SEBI has failed to comply with the mandatory procedure under the SEBI Act and PFUTP Regulations in passing the impugned orders. Section 11C (1) of the SEBI Act specifies that where the Board has reasonable ground to believe that any intermediary or any person associated with the securities market has violated any provision of the Act or rules or regulations, it may at any time by an order in writing, direct investigation authority to investigate the affairs of such person. No such order has been disclosed by SEBI for reopening the proceedings and appointing ISB to compute the alleged profits earned by the brokers. With issuance of the investigation report, the role and authority of the investigating authority stood concluded. The recommendation to adopt AO proceedings was accepted by SEBI. The impugned order has been passed without disclosing the source of authority under which it is passed. The order by which 2023 ISB report was approved is still not disclosed. It is also not disclosed who has prepared the purported analysis.

ix. That the mandatory requirements of PFUTP Regulations have not been complied with. Regulation 5 requires that an investigating authority has to be directed by an order to investigate and report in the manner provided in Section 11C of the SEBI Act, 1992. Regulation 9 requires that the investigating authority shall, on completion of investigation, after taking into account all relevant facts submit a report to the appointing authority. Regulation 10 requires that Board may, after consideration of the report, if satisfied that there is violation of Regulations, after giving a reasonable opportunity of hearing to the persons concerned issue such directions mentioned in Regulation 11 and 12. Thus, there is no residual authority to make the alleged analysis with a new and different action matrix for issuance of one more SCN. Such safeguards have been built into the statute to obviate arbitrary exercise of power. Viewed from this angle, the issuance of SCN is without jurisdiction and liable to be quashed.

x. That by an amendment to Section 11B (2), with effect from March 8, 2019, the WTM has been empowered to impose penalties. The intention behind the said amendment was to stop multiple parallel proceedings.

xi. That, SEBI's contention that judgment in *Crosseas*[14] by the Hon'ble Bombay High Court Squarely covers the matter in dispute, is untenable because *Crosseas* judgment restricted the findings based on the submission of petitioners therein and the SEBI, only on the aspect whether petitioners' submissions were to be

[14] Crosseas Capital services Pvt. Ltd. V. SEBI, W.P.No.19221 of 2024, decided by the Hon'ble Bombay High Court on 11.07.2025.

heard as preliminary issues or whether the same should be heard along with other issues and it has been held that SEBI could hear the same along with other issues, without being influenced by the observations made in that judgment. Secondly, the scope of jurisdiction under Article 226 and 227 of the Constitution of India is different from this Tribunal's jurisdiction, where all questions of fact and law can be agitated as in any First Appeal. This is an expert Tribunal and has a wide scope and jurisdiction to keep the Regulator under check.

xii. That, SEBI in its comparative chart has admitted that *Crosseas* judgment does not deal with the submission that the entire procedure followed by the SEBI is defective. It's a significant issue raised in this appeal.

xiii. That, in the comparative chart, SEBI has also admitted that *Crosseas* judgment does not deal with the submission that delay could vitiate fresh proceedings.

xiv. That, *Crosseas* judgment has also not considered SEBI's impugned order passed in 2019, the undated, unsigned analysis by which a new Action Matrix was recommended by an unknown person and undisclosed orders of SEBI which approved second ISB report of April 2023 and analysis of new Action Matrix.

xv. That, *Crosseas* judgment also does not consider the issue that new ISB report does not comply with SEBI's order in 2019 and the recommendation of Prof. Varma.

It also does not consider various other aspects urged in this appeal.

xvi. That, SEBI's contention that no 'order' is challenged in this appeal is untenable because SEBI has passed the impugned order to engage ISB for "follow up report" of 2023 which has resulted in issue of show cause notice dated September 1, 2023.

xvii. That, the adjudicating officer has already adjudicated the matter, imposed penalty and exonerated the appellants from the charge of 'fraud'. Therefore, reopening the case on same set of facts is hit by the doctrine of *res judicata.*

7. Mr. Shiraz Rustomjee, learned Senior Advocate for the SEBI vehemently opposed the appeals and submitted that the challenges in these appeals can be bifurcated into three main divisions as follows:

(i) challenge to the show cause notice;

(ii) challenge to the internal note of 2019; and

(iii) challenge to the emails.

8. Amplifying his submissions, he submitted that the show cause notices do not meet the noticees with any civil consequences. There is a possibility of the authority accepting the cause shown by the appellants and close the proceedings. In substance, he submitted that there is no executable order

against the appellants and argued that these appeals are not maintainable.

9. With regard to the 'internal file note' of 2019, he submitted that it is in the nature of an administrative decision in the course of investigation and not a quasi-judicial order as contemplated in *National Securities Depositories Limited v. SEBI*[15]. He submitted that it is no more *res integra* that only the 'quasi-judicial orders' determining the rights and liabilities of the parties are appealable under Section 15T of the SEBI Act.

10. With regard to the emails, he submitted that at best they can be considered as hearing notices calling upon the appellants to participate in the proceedings.

11. We have considered the rival contentions and perused the records.

12. In the conspectus of facts recorded hereinabove, the point that arises for consideration is ***whether these appeals are maintainable?***

13. Though elaborate arguments were addressed by the learned Senior Advocates and the Advocates for the respective parties, the main thrust of their argument is, on the same set of facts, earlier proceedings were initiated by SEBI and the AO, in his orders has categorically held that the allegation of violation of PFUTP Regulations was not proved and he had imposed penalties for violation of other provisions which have been paid.

[15] 2017 SCC OnLine SC 256- paras 8 to 12.

Therefore, initiation of fresh proceedings based on another report by ISB is unsustainable in law.

14. Appellants are correct in submitting that in the earlier AO proceedings, penalties were imposed and those are challenged in the appeals pending in this Tribunal.

15. It is also not in dispute that impugned show cause notices have been issued between August, 2023 and September, 2023 and these appeals are presented in 2025. Some similarly situated entities have filed their replies and sought inspection of documents. During the course of arguments Mr. Rustomjee submitted that proceedings *qua* those entities are held up because of pendency of these appeals.

16. We may record that pleadings in the appeals have been amended adding certain grounds with a prayer to quash the orders passed in 2019 and all consequential proceedings under Section 11(1), 11(4), 11B (1) of the SEBI Act, namely, the issuance of the show cause notices challenged in these appeals.

17. The principal defense urged on behalf of the SEBI is that these appeals are not maintainable. The first contention urged is, that Section 15T does not contemplate an appeal against (a) a mere notice to show cause which is a step in the decision making process; (b) purely a procedural communication stating that all objections will be decided in the orders to be passed on the impugned SCNs; or (c) an internal administrative note sanctioning further study by an expert agency. Mr. Rustomjee

relied upon *National Securities Depositories Limited*[16], wherein it is held thus:

> *"25. …………It is clear on a conspectus of the authorities that it is orders referable to Sections 11(4), 11-B, 11-D, 12(3) and 15-I of the Act, being quasi-judicial orders, and quasi-judicial orders made under the Rules and Regulations that are the subject-matter of appeal under Section 15-T.* ***Administrative orders such as circulars issued under the present case referable to Section 11(1) of the Act are obviously outside the appellate jurisdiction of the Tribunal for the reasons given by us above."***
>
> *(Emphasis supplied)*

18. Mr. Rustomjee next relied upon para No.5 in *Shiv Dayal Gupta HUF v. SEBI*[17], to support his contention with regard to maintainability, wherein it is held thus:

> *"5. We are of the opinion that in the first instance, the appeal is not maintainable. There is no order of any authority.* ***The show cause notice, in our opinion, cannot be treated to be an order for purpose of entertaining an appeal under Section 15T of the SEBI Act.****"*
>
> *(Emphasis supplied)*

19. Learned Advocates for the appellants' contended that *Shiv Dayal Gupta HUF* is a judgment *per incuriam* in view of following authorities:

> *(i) Vinod Paper Mills Ltd. v. Collector, Central Excise, Punjab*[18].

---

[16] 2017 SCC Online SC 256
[17] Appeal No.45 of 2023, decided by the Securities Appellate Tribunal, Mumbai on 14.12.2023.
[18] (1997) 10 SCC 249

(ii) National Radio & Electronics Co. Ltd. v. Collector of Central Excise, Aurangabad[19]*.*

(iii) Ambalal Sarabhai Enterprises Ltd. v. Union of India[20]*.*

(iv) J.B.A. Printing Inks Ltd. v. Collector of Central Excise, New Delhi[21]*.*

20. Distinguishing *Vinod Paper Mills,* Mr. Rustomjee submitted that the appeals in that case were against an order and not a show cause notice. Distinguishing *National Radio and Electronics Co. Ltd*[22], he submitted that the appeal to the CEGAT in that case was from an order passed by the Collector. With regard to *Ambalal Sarabhai*[23], he submitted that it is recorded by the Apex Court in that case that an order was passed pursuant to a show cause notice, hence, it must be construed that the appeal was from an order and not from a show cause notice. Distinguishing *JBA Printing Inks Ltd.,* he submitted that there is nothing in the decision that indicates that the appeal to the CEGAT was from a show cause notice and not from an order. We have perused the authorities cited on behalf of the appellants and Mr. Rustomjee's submissions distinguishing those authorities. In our view, Mr. Rustomjee is right in contending that Shiv Dayal Gupta is not a *per incurium* judgment.

21. It was next submitted by Mr. Rustomjee that appellants have relied upon some authorities under the Administrative Tribunals Act, 1985 ('ATC Act' for short) and contended that

---

[19] (2000) 10 SCC 287
[20] (2001) SCC OnLine SC 93
[21] (2000) 10 SCC 401
[22] (2000) 10 SCC 287
[23] (2001) SCC OnLine SC 93

Section 19 of the ATC Act is *pari materia* with Section 15T of the SEBI Act, 1992. He submitted that Section 14 of the ATC Act determines the jurisdiction and powers of the CAT which is much wider than Section 15T of the SEBI Act. Section 14 of the Administrative Tribunals Act reads thus:

> *"14. Jurisdiction, powers and authority of the Central Administrative Tribunal.—*
>
> *(1) Save as otherwise expressly provided in this Act, the Central Administrative Tribunal* ***shall exercise, on and from the appointed day, all the jurisdiction, powers and authority exercisable immediately before that day by all courts*** *(except the Supreme Court) in relation to-*
>
> *(a) recruitment, and matters concerning recruitment, to any All-India Service or to any civil service of the Union or a civil post under the Union or to a post connected with defence or in the defence services, being, in either case, a post filled by a civilian;*
>
> *(b) ………………………………………………"*
>
> *(Emphasis supplied)*

22. He also relied upon *Krishan Prasad Gupta v. Controller, Printing & stationery*[24] and submitted that the Central Administrative Tribunal is a forum exercising original jurisdiction in respect of adjudication of service disputes. It is held thus in that authority.

> *"17.* ***The jurisdiction which is transferred to and vested in the Tribunal is the jurisdiction of all the courts*** *except the Supreme Court which is expressly excluded.*
>
> *18. The 'matters' in respect of which this 'jurisdiction' is to be exercised are also indicated in this section. That is why it is provided in Section 19 that any person aggrieved by an*

---

[24] (1996) 2 SCC 69

> *'order' [defined in the Explanation appended to sub-section (1) of that section] pertaining to any 'matter' within the 'jurisdiction' of the Tribunal may approach the Tribunal for the redressal of his grievance. While Section 19 operates "subject to other provisions of the Act", the field of operation of Section 14 is limited by the use of the words "save as otherwise expressly provided in this Act". These words control and regulate whole of the section not only in respect of 'jurisdiction' but also the 'matters' specified therein.* ***This constitutes the original jurisdiction of the Tribunal*.”**
>
> *(Emphasis supplied)*

23. The next contention of Mr. Rustomjee is that the Hon’ble Bombay High Court in *Crosseas*[25] has dealt with the challenge against similar show cause notices and held that ordinarily challenges to a show cause notice should not be entertained in a petition under Article 226 of the Constitution of India.

24. He submitted that under Section 15T of the SEBI Act, a “person aggrieved” can approach this Tribunal. Adverting to *Union of India and Ors v. Kunisetty Satynarayana*[26], he submitted that a mere charge sheet or a show cause notice does not give rise to any cause of action. In *Kunisetty Satynarayana*[27]*, it is held thus:*

> *“14………..A mere charge-sheet or show-cause notice does not give rise to any cause of action, because it does not amount to an adverse order which affects the rights of any party unless the same has been issued by a person having no jurisdiction to do so. It is quite possible that after considering the reply to the show-cause notice or after holding an enquiry the authority concerned may drop the proceedings and/or hold that the charges are not established. It is well settled*

[25] Crosseas Capital services Pvt. Ltd. v. SEBI, W.P.No.19221 of 2024, decided by the Hon’ble Bombay High Court on 11.07.2025
[26] (2006) 12 SCC 28
[27] (2006) 12 SCC 28

> *that a writ lies when some right of any party is infringed. A mere show-cause notice or charge-sheet does not infringe the right of any one. It is only when a final order imposing some punishment or otherwise adversely affecting a party is passed, that the said party can be said to have any grievance."*

25. The upshot of analysis of the authorities shows that there is a classic distinction between the jurisdiction of Central Administrative Tribunal and this Tribunal. CAT is vested with original jurisdiction with regard to the service matters. The *vires* of a Rule or any amendment touching upon the service conditions of central government employees can be challenged under Section 19 of the Administrative Tribunals Act, 1985. In contradistinction, under Section 15T of the SEBI Act, 1992, there is no scope for such a challenge. Section 15T of the SEBI Act, 1992 reads thus:

> *"15T. Appeal to the Securities Appellate Tribunal.—*
>
> *(1) Save as provided in sub-section (2), any person aggrieved,-*
>
> *(a) <u>by an order of the Board made</u>, on and after the commencement of the Securities Laws (Second Amendment) Act, 1999, under this Act, or the rules or regulations made thereunder; or,*
>
> *(b) <u>by an order made by an adjudicating officer</u> under this Act; or,*
>
> *(c) by an order of the Insurance Regulatory and Development Authority or the Pension Fund Regulatory and Development Authority,*
>
> *may prefer an appeal to a Securities Appellate Tribunal having jurisdiction in the matter.*
>
> *(2).*********

> *(3) Every appeal under sub-section (1) shall be filed within a period of forty-five days from the date on which a copy of the order made by the Board or the adjudicating officer or the Insurance Regulatory and Development Authority or the Pension Fund Regulatory and Development Authority as the case may be, is received by him and it shall be in such form and be accompanied by such fee as may be prescribed:*
>
> *Provided that the Securities Appellate Tribunal may entertain an appeal after the expiry of the said period of forty-five days if it is satisfied that there was sufficient cause for not filing it within that period."*
>
> (*Emphasis supplied)*

26. Indubitably, what is challenged in these appeals is 'show cause notice'. In our view, by no stretch of imagination, they can be construed as 'orders' appealable under section 15T of the SEBI Act. A mere procedural irregularity, misdirection or wrong assumption of power by an authority issuing a show cause notice cannot be labelled as an 'order' appealable under section 15T of the SEBI Act.

27. It is also not in dispute that some similarly situated entities approached the Hon'ble Bombay High Court in *Crosseas Capital Services Pvt. Ltd v. SEBI*[28] and those writ petitions have been disposed of leaving it open to the petitioners therein to raise all challenges including the challenges like absence of jurisdictional facts, plea of *res judicata* before SEBI. The Hon'ble Bombay High Court has also declined to order the QJA[29], SEBI to treat such issues as preliminary issues. It is not in dispute that

[28] Crosseas Capital services Pvt. Ltd. v. SEBI, W.P.No.19221 of 2024, decided by the Hon'ble Bombay High Court on 11.07.2025 (Para 62)
[29] Quasi-Judicial Authority

the appellants herein are similarly situated as the petitioners in *crosseas*. The only distinction being that the appellants herein have challenged the earlier orders passed against them by the AO in this Tribunal and the same are pending adjudication. But that difference, in our view, cannot confer jurisdiction upon this Tribunal to entertain these appeals challenging show cause notices. In addition, there is delay of about 480 days reckoned from the date of SCN in filing these appeals.

28. So far as the file notings are concerned, the essence of appellants' argument is that the file notings in SEBI's files which led to appointment of ISB for fresh computation of unlawful gains and issuance of show cause notices are unsustainable in law.

29. We may record that file notings and the decision taken by the SEBI to appoint ISB are administrative decisions. Show cause notices have been issued in furtherance of the ISB report. As held in *NSDL*[30] case, an administrative decision or order is outside the jurisdiction of this Tribunal.

30. So far as challenge to the emails are concerned, we may record that SEBI has replied to the appellants stating that their preliminary objections would be considered in the final order. In substance, SEBI has rejected appellants' request to first consider the preliminary objections. The matter is at the stage of reply to the show cause notice. We have held that challenge to show cause notice is not tenable. Consequently, challenge to the

---

[30] National Securities Depositories Limited v. SEBI, 2017 SCC OnLine SC 256

emails is also untenable. Accordingly, we answer the point for consideration in ***negative***.

31. In the result, the following:

ORDER

i. Appeals are ***dismissed.***
ii. However, this order shall not preclude the appellants from seeking relief before the appropriate forum, if so advised.
iii. Pending interlocutory application(s), if any, stand disposed of.
iv. No costs.

Justice P.S. Dinesh Kumar
Presiding Officer

Ms. Meera Swarup
Technical Member

Dr. Dheeraj Bhatnagar
Technical Member

13.02.2026
RHN

RAJALAKSHMI H NAIR
Digitally signed by RAJALAKSHMI H NAIR
Date: 2026.02.13 16:36:51 +05'30'