

BEFORE THE APPELLATE AUTHORITY
(Under the Right to Information Act, 2005)
SECURITIES AND EXCHANGE BOARD OF INDIA

Appeal No. 5631 of 2023

Mehul Grover	:	Appellant
Vs		
CPIO, SEBI, Mumbai	:	Respondent

ORDER

1. The appellant had filed an application dated February 15, 2023 (received by the respondent through RTI MIS Portal) under the Right to Information Act, 2005 (“**RTI Act**”). The respondent, by a letter dated March 15, 2023, responded to the application filed by the appellant. The appellant filed an appeal (Reg. No. SEBIH/A/E/23/00062) dated March 16, 2023. I have carefully considered the application, the response and the appeal and find that the matter can be decided based on the material available on record.
2. **Ground of appeal-** The appellant has filed the appeal on the ground that access to the requested information was refused. In view of the submissions made by the appellant in his appeal, I am dealing with the queries and the response provided thereto, in the following paragraphs.
3. **Query numbers 1(a), (b), (c), (d) and (e)-** The appellant, vide said queries, sought the following information pertaining to all forensic audits taken up in the last 5 years:
 - a) reason for taking up the audit,
 - b) when the audit was started,
 - c) when it was supposed to end,
 - d) when it actually ended and
 - e) reasons for delay, if any.
4. The respondent, in response to query number 1(a), informed that the reason for taking up a forensic audit is to assist in the investigation carried out by SEBI, with respect to Manipulation of Books of Accounts; Misrepresentation including of financials and/or business operation; and Wrongful diversion/siphoning of company funds by promoters/directors/ key managerial persons. The respondent, with respect to query numbers 1(b) and (d), informed that the information sought is

maintained in separate individual files, placed at multiple locations across SEBI and collating the same for providing response to the queries, would disproportionately divert the resources of the public authority in terms of section 7(9) of the RTI Act. In response to query number 1(c) and (e), the respondent informed that the timeline of a forensic audit depends upon factors such as the size of the company, the number of years of the forensic audit and the level of cooperation of the entities etc. The appellant, in his appeal, *inter alia*, submitted that he did not think it will take too much resource to compile the information.

5. I have perused the queries and the response provided thereto. On consideration, I note that the requested information is not readily available with the respondent in the manner as sought by the appellant and that the respondent would be required to analyse and collate information which is maintained in separate individual files placed at multiple locations. In my opinion, analysing and collating would disproportionately divert the resources of SEBI and would defeat 'the practical regime of right to information' as envisaged in the preamble of the RTI Act. In this context, I note that the Hon'ble CIC, in the matter of *Mr. Deepak Girdhar vs. CPIO, SEBI* (Order dated March 30, 2021), observed that "*6. The Commission, after hearing the submissions of the respondent and after perusal of records, observes that the information sought by the appellant is voluminous in nature and may not be readily available with the CPIO in the manner as sought by the appellant, collating and compiling of which would disproportionately divert the resources of the respondent organization. Hence, the disclosure of information is exempted as per Section 7(9) of the RTI Act.*" In view of these observations, I find that the requested information is exempt from disclosure under section 7(9) of the RTI Act.
6. Notwithstanding the above, I note that the respondent has informed regarding the broad reasons for taking up forensic audits. The respondent also mentioned the various factors which affect the timelines of the forensic audits. In view of the same, I find that no further intervention is warranted at his stage.
7. **Query number 2-** The appellant, vide query number 2, sought the final audit reports of all the cases finalized.
8. The appellant, in response to the aforesaid query, informed that the requested information is exempt from disclosure under section 8(1)(d) and 8(1)(h) of the RTI Act as forensic audit reports may contain information related to analysis of examination conducted by forensic auditor on the behest of SEBI and that the source of information and the leads to the source of the information may also form a part of the forensic audit report. The respondent also mentioned that the information is provided by the third

parties during the forensic audit on a confidential basis and may thus contain public as well as private information that is so contiguous in forensic audit report that is not viable to sieve and server the non-public and public information and provide only the extract of forensic audit report after severing the non-public information in terms of section 10 of the RTI Act. Further, it would not be viable to provide extracts of the report as excising relevant portion would not be possible. The respondent also stated that disclosure of such information may enable future violators to remain undetected.

9. I have perused query number 2 of the application and the response provided by the respondent. I note that the respondent has declined to provide the requested information by invoking the provisions of section 8(1)(d) and 8(1)(h) of the RTI Act. On consideration, I find that the respondent has not clearly explained how the requested information is exempt from disclosure under the said provisions of the RTI Act. The respondent has also not explained how the disclosure of the requested information would impede the process of investigation or apprehension or prosecution of offenders, as mentioned in section 8(1)(h) of the said Act. Accordingly, it would be appropriate to remit the query for reconsideration.
10. In view of the above observations, I remit the application to the respondent for reconsidering query number 2 and for providing a revised response within 15 working days from the date of receipt of this order. The Appeal is accordingly disposed of.

Place: Mumbai

ANAND BAIWAR

Date: April 17, 2023

**APPELLATE AUTHORITY UNDER THE RTI ACT
SECURITIES AND EXCHANGE BOARD OF INDIA**