

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

Appeal No. 6306 of 2025

Kavish Kumarpal Sheth : Appellant
Vs

CPIO, SEBI, Mumbai : Respondent

ORDER

1. The appellant had filed an application dated December 27, 2024 (received by the respondent through RTI MIS Portal) under the Right to Information Act, 2005 (“**RTI Act**”). The respondent, by a letter dated January 17, 2025 responded to the application filed by the appellant. The appellant filed an appeal (Reg. No. SEBIH/A/E/25/00023) dated January 23, 2025. 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. **Queries in the application** - The appellant, in his application dated December 27, 2024 sought the following information:

“I, Kavish Kumarpal Sheth, a citizen of India, request information under the Right to Information Act, 2005, regarding IPO allotment, SME IPO valuations, investor protection, and valuation methods. Kindly provide responses to the following:

1. Clarification on the IPO Allotment System Explain the IPO allotment system with examples. Clarify whether the total money received or the total number of applications in a particular quota is more relevant.

2. Valuation Requirements for SME IPOs What are the valuation requirements for SME IPOs? Why do SME IPOs, such as Supreme Facilities Management Ltd., list at par or lower and then hit lower circuits consistently, despite seemingly good valuations? Is SEBI working on solutions to address such issues?

3. Limitations on Offer for Sale in IPOs Are there any restrictions on the offer for sale mechanism in IPOs to protect retail investors?

4. Security Framework to Mitigate Manipulation What measures does SEBI have to mitigate manipulation or operator games in the stock market?

5. Liability of Merchant Bankers Is it the liability of merchant bankers to maintain IPO prices at par? What actions are taken against merchant bankers who fail to prevent price falls post-listing?

6. Valuation Methods for Approving IPO Price Bands What valuation methods are used by SEBI to approve IPO price bands? How transparent and fair are these methods? Provide details of valuation models SEBI uses, along with examples (e.g., for specific IPO types, which valuation model is applied)."

3. **Reply of the Respondent** - The respondent, in response to query no. 1 in the application, informed that the query is vague and not clear and is in the nature of seeking clarification. Accordingly, the same cannot be construed as "information", as defined u/s 2(f) of the RTI Act. However, the respondent also informed that the details of the allotment process are disclosed in the part- 'Offer Procedure' under the chapter titled 'Offer Information' (Section VII) of the offer document i.e. RHP/DRHP. Additionally, respondent informed that the appellant can refer to Regulation 49 read with Regulation 267 read with Part A of Schedule XIV of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 for the illustration explaining the procedure of allotment. The respondent also informed that the aforementioned Regulations are publicly available on SEBI website and provided the links for accessing the same.

The respondent, in response to query no. 2, informed that the information sought is in the nature of seeking clarification. Accordingly, the same cannot be construed as "information", as defined u/s 2(f) of the RTI Act. The respondent also informed that appellant can refer to Chapter IX - "Initial Public Offer by Small and Medium Enterprises (SME) of SEBI (Issue of Capital and Disclosure Requirements), Regulations 2018 for SME Listing requirements.

The respondent, in response to query no.3, informed that the query is in the nature of seeking clarification. Accordingly, the same cannot be construed as "information", as defined u/s 2(f) of the RTI Act. The respondent also informed that, for additional conditions for an offer for sale, appellant can refer to Regulations 8 and 8A of SEBI (Issue of Capital and Disclosure Requirements), Regulations 2018.

The respondent, in response to query no. 4, informed that the query is in the nature of seeking clarification. Accordingly, the same cannot be construed as "information", as defined u/s 2(f) of the RTI Act.

The respondent, in response to query no. 5, informed that appellant's query is vague and not specific and is in the nature of seeking clarification. Accordingly, the same cannot be construed as "information", as defined u/s 2(f) of the RTI Act. However, respondent also informed that for responsibilities of Merchant Bankers, appellant can refer to Chapter III of SEBI (Merchant Banker) Regulations, 1992, which deals with General Obligations and Responsibilities of Merchant Banker, which is available on SEBI website.

The respondent, in response to query no. 6, informed that appellant's query is in the nature of seeking clarification. Accordingly, the same cannot be construed as "information", as defined u/s 2(f) of the RTI Act. However, respondent also informed that SEBI does not play any role in price fixation and advised appellant to refer to Regulation 28- 'Pricing' and Regulation 29 'Price and Price Band of SEBI (Issue of Capital and Disclosure Requirements), Regulations 2018 for pricing of securities.

4. **Ground of appeal** – The appellant has filed the appeal on the ground that he was provided incomplete, misleading or false information.
5. I have perused the application and the response provided thereto. On consideration, I concur with the response of the respondent that the queries in the application are in the nature of seeking clarification from the respondent. It is understood that the respondent is not supposed to create information; or to interpret information; or to furnish clarification to the appellant under the ambit of the RTI Act. I find that the appellant's queries cannot be construed as seeking 'information' as defined under section 2(f) of the RTI Act. Consequently, the respondent did not have an obligation to provide such clarification under the RTI Act. In this context, reliance is placed on the matter of *Azad Singh vs. CPIO, Oriental Insurance Company Limited* (order dated March 23, 2021), wherein, Hon'ble Central Information Commission (hereinafter referred to as "CIC") observed that "7. The Commission, after hearing the submissions of both the parties and after perusal of records, observed that some queries of the appellant are in the nature of seeking explanation/ opinion/ advice/ confirmation/ clarification from the CPIO and he has expected that the CPIO firstly should analyze the documents and then provide information to the appellant. But the CPIO is not supposed to create information; or to interpret information; or to compile information as per the desire of the appellant under the ambit of the RTI Act. As per Section 2(f) of the RTI Act, the reasons/ opinions/ advices can only be provided to the applicants if it is available on record of the public authority. The CPIO cannot create information in the manner as sought by the appellant. The CPIO is only a communicator of information based on the records held in the office and hence, he cannot be expected to do research work to deduce anything from the material therein and then supply it to him" Accordingly, I do not find any deficiency in the response. Notwithstanding the above, I note that respondent has clearly guided the appellant regarding the applicable legal provisions.

6. Further, with respect to query nos. 1 and 5, I note that the said queries are also vague, broad and not specific. It is an established law that the information sought for in order to be disclosable under the RTI Act, must be clear, specific and available in the records of the public authority. In this context, I note that in the matter of *Mr. T. V. Sundaresan vs. CPIO, Securities and Exchange Board of India* (Decision dated November 24, 2021), the Hon'ble CIC held: *"The framework of the RTI Act, 2005 expects that the information sought is specific and believed to be existing with the public authority in documented or material form as such; which can be shared with the appellant as per the provisions of the RTI Act. Answering to broad, multiple and general queries and presumptive documents that should have been generated as per the expectation of the appellant cannot be furnished under the provisions of the Act."* In view of these observations, I find that aforesaid queries cannot be construed as seeking "information", as defined under section 2(f) of the RTI Act. Accordingly, I do not find any deficiency in the response of the respondent.
7. In view of the above observations, I find that there is no need to interfere with the decision of the respondent. The appeal is accordingly dismissed.

Place: Mumbai

Date: February 20, 2025

RUCHI CHOJER

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