

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

Appeal No. 5277 of 2022

Anupam Alok	:	Appellant
	Vs	
CPIO, SEBI, Mumbai	:	Respondent

ORDER

1. The appellant had filed an application dated June 16, 2022 (received by SEBI on June 17, 2022) under the Right to Information Act, 2005 (“**RTI Act**”). The respondent, by a letter dated July 11, 2022, responded to the application filed by the appellant. The appellant filed an appeal dated July 22, 2022 (received by the Office of Appellate Authority on July 25, 2022). I have perused the application, the response of the respondent 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, vide 16 queries in his application dated June 16, 2022, sought information-

- 1. Do you have any regulatory mechanism in place to recognize/ regulate the sale of equity/future equity of unlisted companies/ startups by its founder/ management in lieu of money?*
- 2. Do you have any regulatory mechanism in place to recognize/ regulate the equity crowd-funding?*
- 3. Is equity crowd-funding (raising funds, by issuing equity/ shares/future shares, from more than 200 small investors) legal or eligible in your view?*
- 4. Are you aware of the platforms TykelInvest.com (and sateeq.com)? Both of the above MCA registered new-age companies have been in existence for one or more than one year, and working as equity crowd-funding platforms. They are raising funds for equity, from retail investors, on behalf of startups. In a single fundraising round, thousands of retail investors are able to invest as low as Rs. 5,000/-. Retail investors are getting equity/ future equity of unlisted companies/ startups (without voting rights) proportionate to the amount invested by them via the above platform. They are doing full KYC of retail investors (Aadhar, PAN, and bank account verification).*
- 5. Are the activities undertaken by TykelInvest.com (and sateeq.com) legal in your views?*

6. *If legal, under the provisions which Act/ Rule/ Circular? Please enumerate the relevant para of the Act/ Rule/ Circular.*
7. *Are the activities undertaken by TykelInvest.com (and sateeq.com) illegal in your view?* 8. *If the activities undertaken by TykelInvest.com (and sateeq.com) are illegal in your views, do you plan to serve/ have you served any notice to them?*
9. *If the activities undertaken by TykelInvest.com (and sateeq.com) are illegal in your views, do you plan to advise/ direct them not to register any retail investors further, and/or close the activities with immediate effect?*
10. *Are the activities undertaken by TykelInvest.com (and sateeq.com) recognized in your views?*
11. *If the activities undertaken by TykelInvest.com (and sateeq.com) are not recognized by you, shall the retail investor continue investing at those platforms, only with their own risk and prudence?*
12. *If the activities undertaken by TykelInvest.com (and sateeq.com) are not recognized by you, can you suggest to me which authority/ regulatory body shall I approach to, to get the information about their recognition/ legitimacy?*
13. *Do you plan to publish or have published, after 2020, a "general awareness notice" for the general public to stay away from equity crowd-funding platforms?*
14. *Have you floated any Consultation Paper on equity crowd-funding after June 2014? If yes, please supply us with the copy of the most recent Consultation Paper on the same.*
15. *Have you issued any circular on equity crowd-funding after June 2014? If yes, please supply us with the copy of the most recent Circular on the same.*
16. *Have you passed any Act/ Rule on equity crowd-funding after June 2014? If yes, please supply us with the copy of the most recent Act/ Rule on the same.*

3. The respondent, in response to the aforesaid queries, informed that the queries are in the nature of seeking clarification/opinion and accordingly, the same cannot be construed as seeking “information” as defined under section 2(f) of the RTI Act.
4. **Ground of appeal-** On perusal of the appeal, it appears that the appellant has not mentioned any specific ground for filing the appeal. The appellant, in his appeal, reiterated the queries raised in his application.
5. I have perused the queries raised in the application and the response provided thereto. On consideration, I find that the queries are more in the nature of seeking clarification/ opinion from the respondent. I note that the respondent 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. In this context, reliance is placed on matter of *Azad Singh vs. CPIO, Oriental Insurance Company Limited* (order dated March 23, 2021) where similar information was sought by the appellant. The Hon'ble CIC, in the said matter, observe 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/advice 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.*” In view of these observations, I do not find any deficiency in the response.

6. 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: August 23, 2022

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