

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

Appeal No. 6102 of 2024

Divya Kumar Kaushik Adv : Appellant
Vs
CPIO, SEBI, Mumbai : Respondent

ORDER

1. The appellant had filed an application dated July 13, 2024 (received by the respondent through RTI MIS Portal) under the Right to Information Act, 2005 (“**RTI Act**”). The respondent, by a letter dated August 02, 2024 responded to the application filed by the appellant. The appellant filed an appeal (Reg. No. SEBIH/A/E/24/00168) dated August 08, 2024. 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. **Request in the application** - The appellant, vide his request of the application dated July 13, 2024, sought the following information:

“1. That vide complaint dated 15-06-2024 duly processed to Chairman SEBI vide Speed Post (POD) No. ED680378872IN, reminded vide e-mail dated 01-07-2024 sent at sebi@sebi.gov.in, the Applicant/ Complainant drawn the kind indulgence of SEBI towards the insider trading and other illegal activities committed by Marchant Banker M/s C.C.V. Pvt. Ltd. (SEBI Reg No. INM000012276). Kindly let me know the steps taken/ process/proceedings taken till today in this regard, along with the name of officer/ department assigned and dealing with these Complainants.

2. That vide complaint/ reminder dated 10-07-2024 sent to Chairman/ Members SEBI at sebi@sebi.gov.in, the Applicant/ Complainant drawn the kind indulgence of SEBI towards the insider trading and other illegal activities the Marchant Banker M/s C.C.V. Pvt. Ltd. (SEBI Reg No. INM000012276) was /is indulged into. Kindly let me know the steps taken/ process/proceedings taken till today in this regard, along with the name of officer/ department assigned and dealing with these Complainants.

3. That email dated 11-07-2024 sent to Chairman SEBI at chairperson@sebi.gov.in, the Applicant/ Complainant drawn the kind indulgence of SEBI towards the insider trading and other illegal activities the Marchant Banker M/s C.C.V. Pvt. Ltd. (SEBI Reg No. INM000012276) was /is indulged into. Kindly let me know the steps taken/ process/proceedings taken till today in this regard, along with the name of officer/ department assigned and dealing with these Complainants.

4. Kindly let me know that when a complaint which is serious in nature is sent to SEBI, what is the Turnaround Time, within which SEBI responds ?

5. Kindly let me know that when a complaint which is serious in nature is sent to SEBI, and no step is taken by the responsible office marked with said complaint, what is the Law under which said omission shall be dealt with ?”

3. **Reply of the Respondent** - The respondent in response to the application, informed that the contents of the complaint/letter of the appellant have been noted and that any input received by Securities and Exchange Board of India (hereinafter referred to as “**SEBI**”) is treated as market intelligence. Further, the respondent informed that SEBI conducts examinations and investigations confidentially in a holistic manner. In view of the same, disclosure of details related to the matter may impede the process and is therefore exempt from disclosure in terms of Section 8(1)(h) of the RTI Act, 2005. Further, the respondent informed that post investigation, if any regulatory actions are taken, the same made available in public domain on SEBI website.
4. **Ground of appeal** - The respondent filed the appeal on the ground that he was refused access to information requested.
5. I have perused the application and the response provided thereto. I note that the appellant, in his application had requested for information regarding his complaint(s) against Merchant Banker M/s Corporate Capital Ventures Pvt. Ltd. On perusal of the reply of the respondent, it appears that the complaint of the appellant has been taken as regulatory inputs/market intelligence. Such inputs are analysed and if found necessary, further action is taken by SEBI. Accordingly, SEBI conducts examinations confidentially in a holistic manner. Further, SEBI receives alerts and references from various sources and these may or may not result in further action by SEBI such as examination or investigation. Such examination or investigation may or may not establish the suspected violations or lead to enforcement actions. Maintaining confidentiality of examination/ investigation is important since reports of the same may result in unwarranted speculation or concern in the market or may affect evidence collection during the examination/investigation or may result in unnecessary harm to third parties. In view of the above, I agree with the response of the respondent that disclosure of the requested information at this stage may impede the process of examination. In this context, I note that the Hon’ble Central Information Commission (hereinafter referred to as “**CIC**”) in the matter of *Smt. Pushpa Devi Mohita vs. SEBI* (order dated February 08, 2022), held that " *The Commission observes that the information sought by the appellant is submitted to SEBI which is a quasi-judicial body for examination and the same has not yet reached a logical conclusion, therefore the respondent has denied the information under section 8(1)(h) and as per the said provisions of the RTI Act, such information cannot be provided to the appellant which would impede the process of investigation.....In view of the above ratio, the Commission is of the opinion that the CPIO has rightly denied the information sought under Section 8(1)(h) of the RTI Act as the forensic audit report is still pending and final decision is yet to be passed by the competent authority, therefore the said denial of information is being upheld by the Commission.*" I also note that the

Hon'ble CIC, in the matter of *Deepti Maheshwari vs. CPIO, SEBI* (Order dated February 09, 2023), observed that *"The Commission also accepted the submissions advanced by the CPIO qua queries 8, 10 and 11 that since the proceedings were on-going, the disclosure of any information at that juncture may have impeded the process of investigation/ prosecution of offenders. Therefore, the denial u/s 8 (1) (b) of the RTI Act, 2005 was upheld."* In view of these observations, I do not find any deficiency in the response of the respondent. Notwithstanding the above, I note that the respondent has informed the appellant that appropriate enforcement actions, if taken, will be made available in public domain on SEBI website.

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 29, 2024

RUCHI CHOJER

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