

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

Appeal No. 6692 of 2026

Subhash Chandra Agarwal : Appellant
Vs

CPIO, SEBI, Mumbai : Respondent

ORDER

1. Vide application dated **18.06.2021** (also referred to as **“First RTI application”**) filed under the Right to Information Act, 2005 (**RTI Act**), the appellant had *inter alia* sought information pertaining to the appointment of Public Interest Directors (**PIDs**) on boards of Mlls, BSE, NSE etc. and inspection report made by SEBI in respect of BSE and NSE for the period mentioned therein. Further, vide RTI Application dated 27.02.2022 (also referred to as **“Second RTI application”**), the appellant had, *inter alia*, sought the inspection report of NSE for a different time period from the previous application. The respondent, vide letters dated 12.07.2021 and 21.03.2022, respectively, replied to the above RTI applications. First Appeals were preferred by the appellant before the First Appellate Authority (**FAA**), SEBI. FAA vide orders dated 13.08.2021 and 21.04.2022, disposed of the said appeals. Thereafter, second appeals were filed by the appellant before the Hon’ble Central Information Commission (**CIC**).
2. Hon’ble CIC in its orders dated 26.12.2022, *inter alia*, directed that concluding comments/final findings of the inspection committee be provided to the appellant in public interest. Further, with respect to information sought with respect to the appointment of PIDs, CIC directed the respondent to provide the list of selected and rejected candidates, invoking the severability principle of Section 10 of the RTI Act.
3. Being aggrieved by the orders of CIC dated 26.12.2022 in both the matters, SEBI as well as appellant filed different writ petitions before the Bombay High Court praying to quash and set aside the order passed by CIC. The Hon’ble High Court vide order dated 10.07.2025 set aside the order of CIC and remanded the matter back to the CPIO for fresh consideration of **Query Nos. 3, 4 and 5 of First RTI application** after following the provisions of Section 11 of the RTI Act.

4. Pursuant to the directions of Hon'ble Bombay High Court dated 10.07.2025, notices u/s 11 of RTI Act were issued to BSE, NSE, MCX and MCX Clearing Corporation Limited (hereinafter referred to as “**third parties**”) on 10.10.2025 inviting their submission regarding whether the information sought vide points no. 3, 4 and 5 of RTI application dated 18.06.2021 and point no.1 of RTI application dated 27.02.2022 should be disclosed to the appellant.
5. The exchanges i.e., BSE, NSE, MCX and MCX Clearing Corporation Limited vide letters/ emails dated 20.10.2025 submitted their submission to the Notices issued u/s 11 of the RTI Act.
6. Thereafter, in compliance with the direction of Bombay High Court, the respondent provided his revised reply vide letter dated 18.11.2025. The appellant, vide email dated 11.01.2026 had filed an appeal against the aforementioned response.
7. I note that under Section 19(1) of the RTI Act, an aggrieved person may prefer the first appeal within thirty days from the receipt of the response from the CPIO of the concerned public authority. In the instant case, the impugned response from the respondent is dated 18.11.2025. The said response was delivered to the appellant vide email dated 18.11.2025 as well as through speed post. From the available records, it is noted that the response sent through speed post was delivered on 24.11.2025. The appellant, therefore, should have filed the first appeal on or before expiry of thirty days from the date of receipt of the said response. As noted above, the appellant's first appeal was received on 11.01.2026. The first appeal has been made after the last date permissible under the RTI Act. The appellant neither made a request for condoning the said delay in filing the appeal nor made any submission explaining the reasons which caused the delay. Considering the absence of a request for condoning the delay and any valid reason that prevented the appellant from filing the appeal in time, I consider this appeal as time barred and hence, liable to be dismissed on that count.
8. Notwithstanding the above observation, I am considering the appeal on merit.

9. **Query Nos. 3, 4 and 5 of the first RTI application dated 18.06.2021 and query no. 1 of the second RTI application dated 27.02.2022** - The appellant, vide query nos. 3, 4 and 5 of the First RTI application sought the following information:

Query no. 3

File-notings, correspondence and other documents on granting approval by SEBI to appoint Public Interest Directors (PIDs) on boards of Mlls, BSE, NSE, MCX and MCX Clearing Corporation Limited from 01.01.2019 till 15.06.2021.

Query no. 4

Copies of annual inspection-reports made by SEBI in respect of BSE from the year 2017-18 till 2019-20 if not available on SEBI website.

Query no. 5

Copies of annual inspection-reports made by SEBI in respect of NSE from the year 2014-15 till 2017-18 if not available on SEBI website.

10. Vide query no. 1 of Second RTI Application, appellant had sought following information:

Please provide copies of complete inspection-reports as done by SEBI in respect of National Stock Exchange (NSE) from the year 2013 till date. (Till 27.02.2022).

11. **Reply of the Respondent** - With respect to the information sought w.r.t. PIDs, the respondent has informed the following:

“8. After perusing the details of information sought by you w.r.t. PIDs and the replies of the third parties, I find that the information sought by you includes commercial confidential information of other entities, the disclosure of which could harm their competitive position of other PID candidates. In view of the above, the information sought is exempt u/s 8(1)(d) of RTI Act, 2005. I also find that the information sought by you includes personal information such as sensitive personal data like declarations, diligence outcomes, references, vigilance/fit-and-proper checks, conflict/self-declaration statements and possible reports on evaluation of individuals, including those who were appointed as well as those who were not, and privacy concerns attach equally to appointed and non-appointed individuals. Further, it includes merits, demerits as well as subjective analysis the personal information of the candidates and hence such information is highly private and confidential, therefore, it cannot be simply made available to public at large. Such information is available to SEBI in fiduciary capacity and there is no larger

public interest involved in disclosure of the said information, hence, the same is exempt u/s 8(1)(e) and 8(1)(j) of RTI Act, 2005.”

12. With respect to the information sought w.r.t. inspection report conducted by SEBI, the respondent provided the following response:

“9. Further, after perusing the details of information sought by you w.r.t. inspection reports conducted by SEBI and the replies of the exchanges, I find that the information sought by you relates to inter alia firewalls and security management systems used by the exchanges to prevent hacking or other misuse of or harm to its systems; disaster recovery in the event of a natural or manmade disaster which may damage or destroy exchanges trading and data storage systems. The said inspection report also includes back up centers in which third parties/ intermediaries data is duplicated, stored and maintained, third parties information i.e. technology hardware and software systems, names of employees, investigation reports and surveillance action, which may even pose danger to the life and liberty of the employees. Further, the inspection information may be misused to manipulate the stock market, aid cyber warfare and/or endanger safety and security of securities market and lead to the collapse of functioning of a stock exchange thereby directly affecting the interests of investors at large trading nation-wide and accordingly, there may be possible harm to the interest of the exchanges and other third parties, therefore, disclosure of such information is exempted under Section 8(1)(a) of the RTI Act.

10. *I find that, the inspection report, contains information which is strategic in nature and of high commercial confidence, disclosure of which may impact the strategic decision making of the regulator and the competitive position of the market participants of the securities market, disclosure of which may hamper the decision making by SEBI in its supervisory and regulatory role. Further the inspection reports are provided by the regulated entity to the regulator, which are in the nature of regulatory inputs and is highly confidential in nature and which may disclose the mind of the regulator and affect the strategic decision making of the regulator as a whole.*
11. *Further, there is no larger public interest involved in disclosure of the said information. The disclosure of such strategic and confidential information may also affect and compromise the interest of the securities market in specific and may impact the economic interests of the country. Disclosure of such information is therefore exempt u/s 8(1)(a), 8(1)(d) & 8(1)(e) of RTI Act, 2005. That the inspection information may disrupt exchanges investigation and surveillance procedures which are highly sensitive in nature. Among other things, it may aid market manipulators' efforts to bypass or nullify the exchanges' investigations and surveillance actions and evade detection of manipulations and other violations which shall impact upon the interests of investors at large and orderly regulation of securities market. Hence, disclosure of such details may impede the process of internal suo moto and pre surveillance and investigation, the same is exempt from disclosure in terms of Section 8(1)(b) of the RTI Act, 2005.*

12. *I find that the said inspection report includes business processes, security policies, network and security monitoring/ architecture, web teams, current hosting infrastructure, business continuity policies, service/application stack, system operations policies, incidents of disruptions, scripting policies, audit of cyber security, Vulnerability Assessment and Penetration Test (VAPT), and other business details including those sourced from third parties and the brokers of the exchanges, which has commercial significance, the disclosure of which may harm the exchanges and the competitive position of its brokers. The said Inspection Information contains information of vendors, brokers, investors at large which is submitted to exchanges in fiduciary capacity by third parties.*
 13. *I find that the inspection report also includes a variety of information received from various market participants, which is highly confidential in nature and is received in fiduciary capacity. Further, there is no larger public interest involved in disclosure of the said information, and the same is therefore exempt u/s 8(1)(d) & 8(1)(e) of RTI Act, 2005”*
13. I have perused the application, the submissions made by the third parties and the reply of the respondent. With regard to the query no. 3, seeking information pertaining to the appointment of PIDs on the board of exchanges, I note that the respondent, in his reply, has accepted the submissions of third parties/exchanges that the requested information contain personal information as well as commercially confidential information of both selected and non-selected candidates and is received in fiduciary relationship. Hence, the respondent has denied the requested information under Section 8(1)(d), 8(1)(e) and 8(1)(j) of RTI Act. On consideration, I concur with the respondent that the requested information is highly private and confidential. In this context, reliance is placed on the decision of Hon’ble Supreme Court in the matter of *Central Public Information Officer, Supreme Court of India Vs. Subhash Chandra Agarwal* (order dated November 13, 2019 passed in Civil Appeal No. 10044 of 2010 with Civil Appeal No. 10045 of 2010 and Civil Appeal No. 2683 of 2010) wherein the import of "personal information" envisaged under Section 8(1)(j) of RTI Act has been exemplified in the context of earlier ratios laid down by the same Court. In the said matter, the Hon’ble Supreme held that “ 59. Reading of the aforesaid judicial precedents, in our opinion, would indicate that personal records, including name, address, physical, mental and psychological status, marks obtained, grades, and answer sheets, are all treated as personal information. Similarly, professional records, including qualification, performance, evaluation reports, ACRs, disciplinary proceedings, etc. are all personal information. Medical records, treatment, choice of medicine, list of hospitals and doctors visited, findings recorded, including that of the family members, information relating to assets, liabilities, income tax returns, details of investments, lending and borrowing, etc. are personal information. Such personal information is entitled to protection from unwarranted invasion of privacy and conditional access is available when stipulation of larger public interest is satisfied. This list is indicative and not exhaustive...” Hence, I find that the requested information falls within the purview of exempted information under Section

8(1)(j) of RTI Act. Further, it may contain opinions that are unfavourable to the appointment of candidates, which can hamper commercial interests of the candidates. Hence, I find that the requested information falls within purview of exempted information under section 8(1)(d) of RTI Act. Further, I also agree with the respondent that such confidential information was received by SEBI from exchanges in fiduciary capacity, and due to its role as regulator of securities market. I note that the Hon'ble CIC, in the matter of *Mr. Ashok Kumar Rajak vs. CPIO, SEBI*, (order dated December 21, 2021), held that “Further the details such as investigation report, file noting, directions and various communication involves with the third party information which is received from other agencies is being held by them in fiduciary capacity hence the same is barred from disclosure under section 8(1)(e) & (j) of the RTI Act, 2005.” Hence, I find that the requested information falls within the purview of exempted information under Section 8(1)(e) of RTI Act.

14. I note that Hon'ble Bombay High Court in its order dated July 10, 2025, relying on the observations in the decision of Hon'ble Supreme Court in *Central Public Information Officer, Supreme Court of India vs. Subhash Chandra Agarwal* (supra) has held that exemptions mentioned in section 8(1)(d), 8(1)(e), 8(1)(i) and 8(1)(j) are qualified ones and disclosure of information is permitted in the case of larger public interest. The appellant, in his appeal, has contended that there is public interest in disclosing information pertaining to the appointment of PIDs. The appellant, has submitted that the disclosure of such information can prevent favouritism and influences in such appointment. I note Hon'ble Supreme Court in *Bihar Public Service Commission vs. Saiyed Hussain Abbas Rizvi* (Judgement dated December 13, 2012 has held ‘public interest’ to mean the general welfare of the public warranting the disclosure and the protection applicable, in which the public as a whole has a stake, and observed: “23. The satisfaction has to be arrived at by the authorities objectively and the consequences of such disclosure have to be weighed with regard to the circumstances of a given case. The decision has to be based on objective satisfaction recorded for ensuring that larger public interest outweighs unwarranted invasion of privacy or other factors stated in the provision. Certain matters, particularly in relation to appointment, are required to be dealt with great confidentiality. The information may come to knowledge of the authority as a result of disclosure by others who give that information in confidence and with complete faith, integrity and fidelity. Secrecy of such information shall be maintained, thus, bringing it within the ambit of fiduciary capacity.” Further, Hon'ble Supreme Court in the aforementioned decision has also observed that the exemption provided under Section 8 of the Act is the rule and only in exceptional circumstances of larger public interest the information would be disclosed. I note that the names of the persons appointed as PIDs are already available in the public domain, on the website of exchanges. I find that the disclosure of particulars of non-appointed candidates would amount to an unwarranted invasion of their privacy, embarrassment and loss of reputation to the non-appointed candidates and may deter competent individuals from participating in future appointments in as much as

such candidates may be sceptical in disclosure of their details to public at large. Considering the facts and circumstances in the instant case, I find that likely harm to the third parties outweigh the public interest in disclosure of the information. Therefore, there does not appear a larger public interest in disclosing the requested information. Therefore, I find that the requested information is exempt from disclosure under section 8(1)(d), 8(1)(e) and 8(1)(j) of the RTI Act. Accordingly, I do not find any deficiency in the response of the respondent.

15. With regard to the information sought with respect to inspection report (query nos. 4 and 5 of the first RTI application and query no. 1 of the second RTI application), I note that respondent has denied the information under section 8(1)(a), 8(1)(d), 8(1)(e) & 8(1)(h) of RTI Act. I note that the respondent in his reply has stated that inspection reports contain sensitive confidential information of exchanges such as business processes, security policies, firewalls and security management systems, third party's information technology hardware and software systems, exchanges investigation and surveillance procedures. On consideration, I concur with the respondent that the information relating to business process and other business details including those sourced from third parties and the brokers of exchanges contained in the inspection report are in the nature of commercial confidence, the disclosure of which can adversely affect the competitive position of the exchanges and the competitive position of its brokers. In the context of non-disclosure of information under Section 8(1)(d) of the RTI Act, the decision in *Naresh Trehan vs Rakesh Kumar Gupta* (W.P(C) 85/2010) decided on 24.11.2014, was referred to, wherein it was held: *".....Such information would clearly disclose the pricing policy of the assessee and public disclosure of this information may clearly jeopardise the bargaining power available to the assessee since the data as to costs would be available to all agencies dealing with the assessee. It is, thus, essential that information relating to business affairs, which is considered to be confidential by an assessee must remain so, unless it is necessary in larger public interest to disclose the same. If the nature of information is such that disclosure of which may have the propensity of harming one's competitive interests, it would not be necessary to specifically show as to how disclosure of such information would, in fact, harm the competitive interest of a third party. In order to test the applicability of Section 8(1)(d) of the Act it is necessary to first and foremost determine the nature of information and if the nature of information is confidential information relating to the affairs of a private entity that is not obliged to be placed in public domain, then it is necessary to consider whether its disclosure can possibly have an adverse effect on third parties."* Thus, I note that the requested information falls within the exempted information specified under Section 8 (1)(d) of RTI Act.
16. Further, I concur with the respondent that such information is collected by SEBI from the exchanges in its supervisory role as the regulator of securities market. I find that such information is held by SEBI in its

fiduciary capacity and falls within the purview of exempted information under section 8 (1)(e) of RTI Act. In this context, reliance is placed on the decision in Writ Petition (Civil) Nos. 8396/2009, 16907/2006, 4788/2008, 9914/2009, 6085/2008, 7304/2007, 7930/2009 and 3607 of 2007, the Hon'ble High Court of Delhi, in its order dated November 30, 2009, held that: *"In a fiduciary relationship, the principal emphasis is on trust, and reliance, the fiduciary's superior power and corresponding dependence of the beneficiary on the fiduciary. It requires a dominant position, integrity and responsibility of the fiduciary to act in good faith and for the benefit of and to protect the beneficiary and not oneself"*. In the context of non-disclosure of information under Section 8(1)(e) of the RTI Act, the decision of the Hon'ble Supreme Court of India in *Institute of Chartered Accountants of India Vs. Shaunak H. Satya and Ors.*, in Civil Appeal No. 7571 of 2011- dated 02/09/2011 is also referred to, wherein it was held that: *"... In other words, anything given and taken in confidence expecting confidentiality to be maintained will be information available to a person in fiduciary relationship"*. Further, considering the facts and circumstances of the present matter, I find that there does not exist any larger public interest in disclosure of the requested information. Accordingly, I find that the requested information is exempt under Section 8(1)(d) and 8(1)(e) of RTI Act.

17. Additionally, I note that respondent, relying on the submissions of third parties, have stated that the information contained in the inspection report can be used to manipulate the stock market, aid cyber warfare and endanger the safety and security of securities market and can lead to the collapse of functioning of stock exchanges. The respondent has also stated that the information contained in the inspection reports contain regulatory input and are strategic in nature. I agree with the respondent that the disclosure of such strategic and confidential information may affect and compromise the interest of the securities market in specific and may impact the economic interests of the state. In this context, I note that in *Institute of Chartered Accountants of India Vs. Shaunak H. Satya and Ors* (supra), the Hon'ble Supreme Court held that: *"The competent authorities under the RTI Act will have to maintain a proper balance so that while achieving transparency, the demand for information does not reach unmanageable proportions affecting other public interests, which include efficient operation of public authorities and the Government, preservation of confidentiality of sensitive information and optimum use of limited fiscal resources"*. In light of the same, I find that the requested information will fall within the exemption offered under section 8(1)(a) of the RTI Act.
18. Further, I also note that third parties and the respondent has mentioned in his reply that the possibility that the disclosure of inspection report can aid market manipulator's efforts to bypass the exchanges investigation and evade detection of manipulations cannot be ignored. Therefore, I find that the requested information can hamper impede the process of investigation and surveillance conducted by exchanges. In

this context, I note that Hon'ble High Court of Madras in its judgement in *Gulab Singh Rana vs. CPIO, Indian Overseas Bank*, WP No 37231/ 2016 decided on 08.12.2021 has held:"44.*The Public Information Officer is expected to consider in the event of furnishing such information, which all are connected with the investigation or prosecution of offenders and providing of such information, would impede the process, then, he is empowered to exercise power of discretion and reject the application of the information seeker.*" Accordingly, I find that the requested information is exempt under section 8(1)(h) of RTI Act.

19. The appellant, in his appeal, has contended that since the Supreme Court of India has directed the disclosure of inspection reports of commercial banks, there is no reason for SEBI to not make the inspection reports of exchanges public. In this context, I note that Hon'ble Bombay High Court in its order dated 10.07.2025 had observed that the banks and the role of the RBI in regulating their affairs cannot be equated with stock exchanges and the role of SEBI in regulating the stock exchanges. Moreover, it is also noted that certain banks have filed a Writ Petition bearing Writ Petition No.1159 of 2019 before the Hon'ble Supreme Court of India *inter alia* challenging disclosure of vital information of the banks/ financial institutions including inspection reports/ risk assessment reports by the RBI under the RTI Act. The Hon'ble Supreme Court, vide its order dated September 30, 2022, *inter alia*, held that *prima facie* the judgment in *Reserve Bank of India V. Jayantilal N. Mistry & Anr.* does not consider the aspect of balancing right to information and right to privacy. Thus, the issue is sub- judice before Hon'ble Supreme Court. Accordingly, I find that no further intervention of this forum is warranted in this regard, at this stage.
20. 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 06, 2026

RUCHI CHOJER

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