

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

Appeal No. 6675 of 2026

Amar Kakaria : Appellant
Vs

CPIO, SEBI, Mumbai : Respondent

ORDER

1. The appellant had filed an application dated December 01, 2025 (received by the respondent through RTI MIS Portal) under the Right to Information Act, 2005 (“**RTI Act**”). The respondent, by a letter dated December 29, 2025, responded to the application filed by the appellant. The appellant filed an appeal (Reg. No. SEBIH/A/E/25/00343) dated December 30, 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 01, 2025, sought the following information:

“CBDT has issued a notification vide S.O. 5054(E) on 1-10-2018 in exercise of powers conferred u/s 112A(4) of Income Tax Act with a view to specify nature of acquisition in respect of which the provision of subclause (a) of clause (iii) of sub-section (1) of section 112A shall not apply & also notified certain transactions of acquisition of equity shares of listed entities. This list is comprehensive & covers wide range of transactions including transactions which are approved by the Supreme Court, High Court, National Company Law Tribunal, Securities Exchange Board of India or Reserve Bank of India. In such transactions, concerned authorities usually take longer time for checking various facts before giving approval which may even span across several months but in the interim period, stock price changes drastically. As stock exchanges do not permit trading in stocks on their platforms at the price which is different from prevailing market price, there is no other option but to transfer those shares through off-market mechanism. CBDT has identified this key issue and by way of above 2018 notification allowed the acquirer of the shares to get benefit u/s 112A if the transaction is approved by the Supreme Court, High Court, NCLT, SEBI or RBI. However, another party i.e. the transferor of shares who is unable to transfer shares,

pending clearance from the concerned authorities viz. Supreme Court, High Court, NCLT, SEBI or RBI is not getting any benefit under circular u/s 112A since only acquisition of shares is covered and not transfer of shares. As per existing framework, the stock exchanges do not permit trading in stocks at a price which is different from prevailing market rate and pending the legal clearance from Regulators, both the parties do not have any control over the price movement. In such a scenario, acquirers are protected but transferors are not covered for the same transaction for which approval is given by top authorities viz. the Supreme Court, High Court, NCLT, SEBI or RBI. I seek following information:

1) Please inform about existence of any stock exchange platform in India which is allowing the acquirer and transferor to deal in shares at a price as per the transaction which is approved by Supreme Court / High Court / NCLT / SEBI / RBI irrespective of the prevailing market price. If there is no such platform then please inform accordingly.

2) Please inform about directions, if any given by SEBI to stock exchanges to allow transfer of shares through their online platforms if the transaction is approved by Supreme Court / High Court / NCLT / SEBI / RBI instead of off-market transfer. If no such directions are given then please inform accordingly.

3) Please inform about representation, if any given by SEBI to CBDT to allow benefit of 2018 notification to both - Acquirer & Transferor if the transaction is approved by Supreme Court / High Court / NCLT / SEBI / RBI. If no such representation is made then please inform accordingly.”

3. **Reply of the Respondent** –The respondent, in response to query nos. 1 and 2 in the application, informed that no such mechanism has been prescribed by SEBI to the Stock Exchanges. However, respondent also informed that there are mechanisms to have block deals, pre-open call-auction mechanism, Special call auction mechanisms. etc. subject to terms and conditions. The detailed provisions in this regard are available in the Master Circular for Stock Exchanges and Clearing Corporation Dated December 30, 2024.

The respondent, in response to query no. 3, informed that tax related proposals sent by SEBI to government are confidential in nature. It is the prerogative of the central government to accept or reject such proposals. Thus, the respondent informed that the requested information is exempt under section 8(1)(d) of the RTI Act.

4. **Ground of appeal** – On perusal of the appeal, it appears that the appellant is not satisfied with the response of the respondent.

5. I have perused the application and the response provided thereto. With respect to query nos. 1 and 2, I find that the respondent has adequately addressed the queries by providing the information available with him. Accordingly, I do not find any deficiency in the response of the respondent.

6. With regard to query no. 3, I concur with the response of the respondent that the tax related proposals sent by SEBI to government are confidential in nature. In this context, reference is drawn to the decision of Hon'ble Central Information Commission (**CIC**) in *Sbri Shanmuga Patro vs. Department of Revenue (TRU)* in CIC/AT/A/2008/01395 & 1396 dated 31.07.2009, wherein it was observed that “ *It is customary for the Ministry of Finance to engage in elaborate consultations prior to formulating the budget proposals to be submitted to the Parliament. But this exercise is not the subject-matter of this appellant's query. And, even if it were to be so, it would have been fully covered by the exemption under Section 8(1)(a) of the RTI Act. Any disclosure of how the budget-making exercise was conducted in respect of previous projects or is being conducted in respect of the present one, has the potentiality to impact the budget-making exercise and thereby impair the nation's economic interest. It would be facetious to argue that the process of the past budget exercise cannot be seen as impacting future budget-making. Disclosure of information regarding the budget-making exercise in respect of even past budgets, can potentially promote rumour-mongering, innuendos and speculation about why the government engaged in a certain type of exercise and not the other in respect of a given past budget, which can seriously compromise economic interests of the nation at any given point in time. all information relating to Union Budget – past or present – must not be allowed to be brought into public domain given the serious consequences it can entail for the National economy. In regard to the appellant's query for the details of consultations, etc. preceding the Finance notification, I agree with the Appellate Authority that there is no scope to disclose such consultations as the Finance notification is only the next step in the chain of implementation of the Parliament's approval of the budget and the Finance Bill. There was no preceding consultation relating to this notification.*” Further, Hon'ble CIC in its decision *Manoj Kumar Jain Vs. CPIO & Technical Officer TRU - II, Ministry of Finance, Department of Revenue and Ors.* (13.06.2019 - CIC) : MANU/CI/0314/2019) held that “*the preparation of Union Budget is an annual exercise wherein several proposals are received/examined/scrutinized/discussed with multiple stakeholders before finally arriving at a conclusion for considering/rejecting such proposals. Since conduct of such an exercise was part of a laid down/existing process involving several elements for rejection/acceptance of various proposals, disclosure of information in the absence of overwhelming/overriding public interest was unfathomable.*” In view of the above observations, I find that the requested information is exempt under Section 8(1)(a) of RTI Act.

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: January 21, 2026

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