

**CENTRAL INFORMATION COMMISSION**  
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**Decision No. CIC/SM/A/2011/001487/SG/15434**  
**Appeal No. CIC/SM/A/2011/001487/SG**

**Relevant facts emerging from the Appeal:**

**Appellant** : Mr. Jayantilal N. Mistry,  
 Behind Chora, Gorva,  
 Baroda, Gujarat

**Respondent** : CPIO & Chief General Manager,  
 RBI,  
 Urban Banks Department,  
 Central Office,  
 1<sup>st</sup> Floor, Garment House, Worli, Mumbai – 400018

RTI application filed on : 19/10/2010  
 PIO replied on : 18/11/2010  
 First Appeal filed on : Not dated  
 First Appellate Authority order of : 30/03/2011  
 Second Appeal received on : 23/05/2011

S.No.	Information sought	Reply of Public Information Officer (PIO)
1.	Procedure, rules and regulations of inspection being carried out on co - operative banks.	RBI is conducting inspections under section 35 of the B. R. Act, 1949 (AACS) at prescribed intervals.
2.	Last RBI investigation and audit report carried out by Mr. Santosh Kumar during 23/04/2010 to 06/05/2010 sent to Registrar of the co - operative of Gujarat, Gandhinagar on Makarpura Industrial Estate Co - Operative Bank Ltd. Reg No. 2808.	Information sought is maintained by the bank in a fiduciary capacity and was obtained by RBI during the course of inspection of the bank and hence cannot be given to outsiders. Moreover, disclosure of such information may harm the interest of the bank and banking systems. Such information is also exempt from disclosure under Sections 8(1)(a) and (e) of the RTI Act.
3.	Last 20 years inspection report carried out with the name of inspector on the above named bank and action taken report.	Same as at 2. above.
4.	Reports on all co - operative banks that have gone into liquidation and action taken against all directors and managers for recovery of public funds, powers utilized by RBI and analysis, and procedures adopted.	(i) Same as at 2. above. (ii) This information is not available with the department.
5.	Names of remaining co - operative banks under your observations against irregularities and action taken reports.	No specific information has been sought.
6.	Period required to take actions and implementations.	No specific information has been sought.

**Grounds for First Appeal:**

Dissatisfied with information provided by CPIO.

**Order of the First Appellate Authority (FAA):**

Based on the contentions of the Appellant, the FAA made the following observations *inter alia*:

(i) The RTI Act was enacted to secure access to information under the control of public authorities, but subject to the provisions of Sections 8 and 9 of the RTI Act only. In the present matter, the CPIO has provided all the available information to the Appellant.

(ii) Section 8(1)(j) of the RTI Act is not attracted in the present matter. The FAA agreed with the CPIO's response in relation to queries 2, 3 and first part of 4. Reliance was placed upon the Bench decision of the Commission in R. R. Patel v. RBI CIC/MA/A/2006/00406 and 00150 dated 07/12/2006.

(iii) The FAA relied on the decision of the Commission in Rajiv Daiya v. UCO Bank CIC/PB/A/2008/00589 and 67/SM and observed that as regards the second part of query 4, where the CPIO has stated that the information is not available with the department, the question of furnishing the information does not arise.

(iv) Information sought in query 6 was too sweeping and general in nature, and therefore did not require any further consideration.

Vide letter dated 21/04/2011, the CPIO provided certain clarifications to the Appellant.

**Grounds for Second Appeal:**

Dissatisfied with the FAA's order.

**Relevant Facts emerging during Hearing held on 17 October 2011:**

The following were present:

**Appellant:** Mr. Jayantilal N. Mistry via video conference from NIC Studio – Vadodara;

**Respondent:** Mr. A. Udgata, CPIO & Chief General Manager via video conference from NIC Studio –Mumbai.

As regards, queries 2, 3 and first part of 4, the CPIO relied on the Commission's Full Bench decision in R. R. Patel v. RBI CIC/MA/A/2006/00406 and 00150 dated 07/12/2006 to justify the denial of information. In relation to query 5, the CPIO stated that there was no compiled list of all co – operative banks where irregularities had been found. However, the CPIO submitted that he would now be able to provide information for the previous year. The CPIO claimed that disclosing information on queries 2, 3 and the first part of 4 is exempted under Section 8 (1) (a) of the RTI Act since disclosure of irregularities could lead to loss of faith in some banks and this could affect the economic interests of the State. He contended that the full bench decision of the Commission in R. R. Patel v. RBI CIC/MA/A/2006/00406 and 00150 dated 07/12/2006 had accepted this contention of RBI.

As regards query 6 the Commission agrees with the PIO's observation.

The order was reserved at the hearing held on 17/10/2011.

**Decision announced on 1 November 2011:**

Based on perusal of papers and submissions of the parties, it appears that information as per records has already been provided in relation to query 1. As regards queries 5 and 6, if there is any information available on record, the same must be provided to the Appellant. In relation to queries 2, 3 and first part of 4, information has been denied on the basis of Sections 8(1)(a) and (e) of the RTI Act. Support was also placed on the Commission's Full Bench decision in R. R. Patel v. RBI CIC/MA/A/2006/00406 and 00150 dated 07/12/2006.

**Section 8(1)(e) of the RTI Act**

It is contended by the Respondent that the information sought in queries 2, 3 and first part of 4 was exempt under Section 8(1)(e) of the RTI Act. Section 8(1)(e) of the RTI Act exempts from disclosure

“information available to a person in his fiduciary relationship, unless the competent authority is satisfied that the larger public interest warrants the disclosure of such information”. This Bench, in a number of decisions, has held that the traditional definition of a fiduciary is a person who occupies a position of trust in relation to someone else, therefore requiring him to act for the latter's benefit within the scope of that relationship. In business or law, we generally mean someone who has specific duties, such as those that attend a particular profession or role, e.g. doctor, lawyer, financial analyst or trustee. Another important characteristic of such a relationship is that the information must be given by the holder of information who must have a choice- as when a litigant goes to a particular lawyer, a customer chooses a particular bank, or a patient goes to particular doctor. An equally important characteristic for the relationship to qualify as a fiduciary relationship is that the provider of information gives the information for using it for the benefit of the one who is providing the information. All relationships usually have an element of trust, but all of them cannot be classified as fiduciary. Information provided in discharge of a statutory requirement, or to obtain a job, or to get a license, cannot be considered to have been given in a fiduciary relationship.

In the present matter, information provided by banks/ institutions subordinate to the RBI is done in fulfillment of statutory compliance. This would not create any fiduciary relationship as such between RBI and the subordinate banks/ institutions. The criteria defining a fiduciary relationship, as described above, must be satisfied which does not appear to have been done in the present matter. The inspection, audit and investigation are done by RBI officers as part of a statutory duty and banks have to undergo this in compliance with statutory requirements. Therefore, the Respondent's contention that the information sought was exempt under Section 8(1)(e) of the RTI Act is rejected.

#### **Section 8(1)(a) of the RTI Act**

The Respondent has also claimed that the information sought in queries 2, 3 and first part of 4 was exempt under Section 8(1)(a) of the RTI Act. The PIO contended during the hearing that if the information was disclosed, it could lead to a reduction of faith in banks, when people realized the shortfalls and could lead to a run on the banks. This could affect the economic interests of the State. The PIO was primarily depending on the decision of a full bench in R. R. Patel v. RBI CIC/MA/A/2006/00406 and 00150 dated 07/12/2006.

In R. R. Patel's Case, the Full Bench was considering the issue of disclosure of RBI's inspection report of a Cooperative Bank. One of the issues before the Bench was whether the inspection report was exempt from disclosure under Section 8(1)(a) of the RTI Act. The Full Bench relied on a decision of the Punjab & Haryana High Court in RBI v. Central Government Industrial Tribunal (dated 07/05/1958) which had observed that “*In an integrated economy like ours, the job of a regulating authority is quite complex and such an authority has to decide as to what would be the best course of action in the economic interest of the State. It is necessary that such an authority is allowed functional autonomy in decision making and as regards the process adopted for the purpose*”.

Based on the above, the Full Bench, in paragraph 16, ruled *inter alia* that “*In view of this, and in light of the earlier discussion, we have no hesitation in holding that the RBI is entitled to claim exemption from disclosure u/s 8(1)(a) of the Act if it is satisfied that the disclosure of such report would adversely affect the economic interests of the State. The RBI is an expert body appointed to oversee this matter and we may therefore rely on its assessment. The issue is decided accordingly*”.

From a reading of the above, it appears that the Full Bench was of the view that if RBI concluded that disclosure of inspection reports would adversely affect the economic interests of the State, the said information may be denied under Section 8(1)(a) of the RTI Act. There is no observation that the Full Bench had come to this conclusion by itself. Further, the observations of the Punjab & Haryana High Court in RBI v. Central Government Industrial Tribunal (dated 07/05/1958) relied on by the Full Bench were made much before the advent of the RTI Act and cannot therefore, be a guide for deciding on exemptions under the RTI Act.

Furthermore, the RBI in *R. R. Patel's Case* claimed that if inspection reports of banks were to be disclosed it would affect the economic interests of the State. The Full Bench decision appears to rely on the submissions of the Deputy Governor of RBI provided vide letter dated 21/09/2006 and were as follows:

*“(i) Among the various responsibilities vested with RBI as the country’s Central Bank, one of the major responsibilities relate to maintenance of financial stability. While disclosure of information generally would reinforce public trust in institutions, the disclosure of certain information can*

*adversely affect the public interest and compromise financial sector stability.*

*(ii) The inspection carried out by RBI often brings out weaknesses in the financial institutions, systems and management of the inspected entities. Therefore, disclosure can erode public confidence not only in the inspected entity but in the banking sector as well. This could trigger a ripple effect on the deposits of not only one bank to which the information pertains but others as well due to contagion effect.*

*(iii) While the RBI had been conceding request for information on actions taken by it on complaints made by members of the public against the functioning of the banks and financial institutions and that they do not have any objection in giving information in respect of such action taken or in giving the*

*substantive information pertaining to such complaints provided such information is innocuous in nature and not likely to adversely impact the system.*

*(iv) However, disclosure of inspection reports as ordered by the Commission in their decision dated September 6, 2006 would not be in the economic interest of the country and such disclosures would have adverse impact on the financial stability.*

*(v) It would not be possible to apply section 10(1) of the Act in respect of the Act in respect of the inspection report as portion of such reports when read out of context result in conveying even more misleading messages.”*

Thus RBI argued that it did not wish to share the information sought as some of it could “*adversely affect the public interest and compromise financial sector stability*”. RBI was unwilling to share information which might bring out the ‘*weaknesses in the financial institutions, systems and management of the inspected entities*’. It was further contended that ‘*disclosure can erode public confidence not only in the inspected entity but in the banking sector as well. This could trigger a ripple effect on the deposits of not only one bank to which the information pertains but others as well due to contagion effect*’. It appears that the RBI argued that citizens were not mature enough to understand the implications of weaknesses, and RBI was the best judge to decide what citizens should know. Citizens, who are considered mature enough to decide on who should govern them, who give legitimacy to the government, and framed the Constitution of India must be given selective information about weaknesses exposed in inspection, to ensure that they have faith in the banking sector. They must see the financial and banking sector only to the extent which RBI wishes. If the RBI made mistakes, or there was corruption, citizens would suffer. This appears to go against the basic tenets of democracy and transparency.

I would like to remember Justice Mathew’s clarion call in *State of Uttar Pradesh v. Raj Narain* (1975) 4 SCC 428 - “*In a government of responsibility like ours, where all the agents of the public must be responsible for their conduct, there can be but few secrets. The people of this country have a right to know every public act, everything that is done in a public way by their public functionaries. They are entitled to know the particulars of every public transaction in all its bearing. Their right to know, which is derived from the concept of freedom of speech, though not absolute, is a factor which should make one wary when secrecy is claimed for transactions which can at any rate have no repercussion on public security*”.

It is also worthwhile remembering the observations of the Supreme Court of India in S. P. Gupta v. President of India & Ors. AIR 1982 SC 149:

*“It is axiomatic that every action of the government must be actuated by public interest but even so we find cases, though not many, where governmental action is taken not for public good but for personal gain or other extraneous considerations. Sometimes governmental action is influenced by political and other motivations and pressures...*

*At times, there are also instances of misuse or abuse of authority on the part of the executive. Now, if secrecy were to be observed in the functioning of government and the processes of government were to be kept hidden from public scrutiny, it would tend to promote and encourage oppression, corruption and misuse or abuse of authority, for it would all be shrouded in the veil of secrecy without any public accountability. But if there is an open government with means, of information available to the public there would be greater exposure of the functioning of government and it would help to assure the people a better and more efficient administration. There can be little doubt that' exposure to public gaze and scrutiny is one of the surest means of achieving a clean and healthy administration. It has been truly said that an open government is clean government and a powerful safeguard against political and administrative aberration and inefficiency...*

*This is the new democratic culture of an open society towards which every liberal democracy is evolving and our country should be no exception. The concept of an open government is the direct emanation from the right to know which seems to be implicit in the right of free speech and expression guaranteed under Article 19(1)(a). Therefore, disclosure of information in regard to the functioning of Government must be the rule and secrecy an exception justified only where the strictest requirement of public interest so demands...*

*Even though the head of the department or even the Minister may file an affidavit claiming immunity from disclosure of certain unofficial documents in the public interest, it is well settled that the court has residual powers to nevertheless call for the documents and examine them. The court is not bound by the statement made by the minister or the head of the department in the affidavit. While the head of the department concerned was competent to make a judgment on whether the disclosure of unpublished official records would harm the nation or the public service, he/she is not competent to decide what was in the public interest as that is the job of the courts. The court retains the power to balance the injury to the State or the public service against the risk of injustice, before reaching its decision on whether to disclose the document publicly or not.”*

The idea that citizens are not mature enough to understand and will panic is repugnant to democracy. For over 60 years citizens have handled their democratic rights in a mature fashion, punished leaders who showed tendencies of trampling their rights, and again given them power once the leaders had learnt their lessons not to take liberties with the liberties of the sovereign citizens of India. ‘We the people’ gave ourselves the Constitution, nurtured it and will take it forward. The fundamental rights of citizens, enshrined in the Constitution of India cannot be curbed on a mere apprehension of a public authority. The Supreme Court of India has recognized that the Right to Information is part of the fundamental right of citizens under Article 19 of the Constitution of the India. Any constraint on the fundamental rights of citizens has to be done with great care even by Parliament. The exemptions under Section 8 and 9 of the RTI Act are the constraints put by Parliament and adjudicating bodies have to carefully consider whether the exemptions apply before denying any information under the RTI framework.

It is pertinent to mention that in *R. R. Patel’s Case*, the Full Bench did not come to any specific conclusion that disclosure of inspection reports would prejudicially affect the economic interests of the State. Instead it left it to RBI to determine whether disclosure of the said information would attract Section 8(1)(a) of the RTI Act. This was primarily on the basis that RBI is an expert body and that any decision taken by it should be relied upon by the Commission. No legal reasoning whatsoever was given by the Bench for concluding the above. There is no evidence or indication that the Commission

after taking cognizance of RBI's views had come to the same conclusion. If the position of the Full Bench is to be accepted, it would lead to a situation where RBI would have the final say in whether information should be provided to a citizen or not. Extending this logic, all Public authorities could be the best judge of what information could be disclosed, since they are likely to be experts in matters connected with their working. In such an event the Information Commission would have no role to play. Parliament evidently expected that the Information Commission would independently decide whether the exemptions are applicable. The Full Bench did not give any independent finding that the disclosure of information would affect the economic interests of the State in its decision. This would completely negate the fundamental right to information guaranteed to the citizens under the RTI Act. In the case being considered by the full bench, it decided to accept the judgment of RBI. It is open to a Commission to defer to a judgment of another body, but this does not establish any principle of law, and would apply only to the specific matter.

It is apparent from the scheme of the RTI Act that the Commission is a quasi-judicial body which is responsible for deciding appeals and complaints arising under the RTI Act. While deciding such cases, the Commission would necessarily have to consider whether there were any cogent reasons for denial of information under Sections 8 and 9 of the RTI Act. The Commission cannot abdicate its responsibilities under the RTI Act to RBI on the ground that the latter is an expert body. The Commission cannot rely solely on the decision of the public authority and must look into the merits of the case itself. It must determine, on its own, whether the denial of information by the PIO was justified as per Sections 8 and 9 of the RTI Act. Since the Full Bench has not recorded any comment which shows that it consciously agreed that Section 8 (1)(a) of the RTI Act was applicable in such matters, it does not establish any legal principle or interpretation which can be considered as a precedent or ratio. Thus the decision is applicable only to the particular matter before it, and does not become a binding precedent.

Furthermore, the Full Bench in *R. R. Patel's Case* was constituted to reconsider two decisions dated 06/09/2006 of Professor M. M. Ansari, then Information Commissioner. As described above, the issues to be reconsidered by the Full Bench included whether the claim of RBI for exemption under Section 8(1)(a) of the RTI Act in respect of inspection of reports could be held justified. The Full Bench relied on the Supreme Court's decision in *Grindlays' Bank v. Central Government Industrial Tribunal* AIR 1981 SC 606 and noted that when a review is sought due to a procedural defect, the inadvertent error committed by a tribunal must be corrected *ex debito justitiae* to prevent the abuse of its power and such power is inherent in every court or tribunal. On this basis, the Full Bench proceeded to review the decisions of Professor M. M. Ansari, then Information Commissioner.

The Supreme Court of India in *Patel Narshi Thakershi & Ors. v. Sri Pradyumansinghji* AIR 1970 SC 1273 has noted - "*It is well settled that the power to review is not an inherent power. It must be conferred by law either specifically or by necessary implication*". In *Kuntesh Gupta v. Mgmt. of Hindu Kanya Mahavidyalaya, Sitapur & Ors.* AIR 1987 SC 2186, the Supreme Court observed - "*It is now well established that a quasi judicial authority cannot review its own order, unless the power of review is expressly conferred on it by the statute under which it derives its jurisdiction*". It must be noted that a three-Judge Bench of the Supreme Court in *Kapra Mazdoor Ekta Union v. Mgmt. of M/s Birla Cotton* Appeal (Civil) No. 3475/2003 decided on 16/03/2005 held:

*"...it is apparent that where a Court or quasi judicial authority having jurisdiction to adjudicate on merit proceeds to do so, its judgment or order can be reviewed on merit only if the Court or the quasi judicial authority is vested with power of review by express provision or by necessary implication. The procedural review belongs to a different category. In such a review, the Court or quasi judicial authority having jurisdiction to adjudicate proceeds to do so, but in doing so commits a procedural illegality which goes to the root of the matter and invalidates the proceeding itself, and consequently the order passed therein. Cases where a decision is rendered by the Court or quasi judicial authority without notice to the opposite party or under a mistaken impression that the notice had been served upon the opposite*

*party, or where a matter is taken up for hearing and decision on a date other than the date fixed for its hearing, are some illustrative cases in which the power of procedural review may be invoked. In such a case the party seeking review or recall of the order does not have to substantiate the ground that the order passed suffers from an error apparent on the face of the record or any other ground which may justify a review. He has to establish that the procedure followed by the Court or the quasi judicial authority suffered from such illegality that it vitiated the proceeding and invalidated the order made therein, inasmuch the opposite party concerned was not heard for no fault of his, or that the matter was heard and decided on a date other than the one fixed for hearing of the matter which he could not attend for no fault of his. In such cases, therefore, the matter has to be re-heard in accordance with law without going into the merit of the order passed. The order passed is liable to be recalled and reviewed not because it is found to be erroneous, but because it was passed in a proceeding which was itself vitiated by an error of procedure or mistake which went to the root of the matter and invalidated the entire proceeding. In Grindlays Bank Ltd. vs. Central Government Industrial Tribunal and others (supra), it was held that once it is established that the respondents were prevented from appearing at the hearing due to sufficient cause, it followed that the matter must be re-heard and decided again.”*

From a combined reading of the above decisions, it is clear that a quasi – judicial authority can review a decision on merits only if it is vested with power of review by express provision or by necessary implication. The powers of the Commission are limited under the RTI Act and certainly do not confer upon it the power of review. It is clear from the Full Bench ruling in *R. R. Patel’s Case* that it was reviewing the two decisions of Professor M. M. Ansari, then Information Commissioner on merits. The Full Bench certainly did not have the power to do so given the provisions of the RTI Act and the law laid down by the Supreme Court in this regard. In fact, the Supreme Court in the *Kapra Mazdoor Ekta Union Case* clearly considered and clarified the ruling in the *Grindlays’ Bank Case* (relied upon by the Full Bench). It appears that the Full Bench reviewed the issues based on merits in *R. R. Patel’s Case* in ignorance of the law laid down by the Supreme Court in *Kapra Mazdoor Ekta Union Case*. In other words, the *R. R. Patel Case* is *per incuriam* and is consequently, not binding on this Bench.

Having laid down the above, this Bench examines the contention of the PIO in the present matter that the information is protected by the exemption under Section 8(1)(a) of the RTI Act. Since I do not chose to defer to the RBI’s judgment in this matter, I will evaluate whether the PIO’s contention of exemption under Section 8 (1) (a) is tenable. Section 8 (1) (a) exempts “ *information, disclosure of which would prejudicially affect the sovereignty and integrity of India, the security, strategic, scientific or economic interests of the State, relation with foreign State or lead to incitement of an offence*”. It is unlikely that disclosure would prejudicially affect the sovereignty and integrity of India, the security, strategic, scientific (or economic interests) of the State, relation with foreign State or lead to incitement of an offence”. Hence I will examine whether the economic interests of the State are likely to be prejudicially affected by disclosure of the information. The information which has been claimed to be exempt under Section 8 (1) (a) is query 2, 3 and first part of query 4:

- “2. Last RBI investigation and audit report carried out by Mr. Santosh Kumar during 23/04/2010 to 06/05/2010 sent to Registrar of the co - operative of Gujarat, Gandhinagar on Makarpura Industrial Estate Co - Operative Bank Ltd. Reg No. 2808.
3. Last 20 years inspection report carried out with the name of inspector on the above named bank and action taken report.
4. Reports on all co - operative banks that have gone into liquidation and action taken against all directors and managers for recovery of public funds, powers utilized by RBI and analysis, and procedures adopted.”

Thus the PIO and the FAA claim that revealing the investigation and audit report of Makarpura Industrial Estate Co-operative Bank Ltd. in 2010 and the last twenty years would ‘prejudicially affect the economic interests of the State’. This Bench is unable to understand how disclosing the

investigation and audit report of Makarpura Industrial Estate Co-operative Bank Ltd. Reg. no. 2808 would in any miniscule way affect the economic interests of the Indian Nation. Hence there is no ground for refusing information with regard to query 2 and 3. Further, reports on all cooperative banks which have gone in liquidation sought in query 4, are also completely unlikely to affect the economic climate or interests of the Country. Declaring the audit, inspection and investigation reports of all cooperative banks which have gone into liquidation cannot do any further harm to such banks. If the banks have gone into liquidation, what more damage can come on them? The PIO perhaps rates the economic state of this Nation as being extremely fragile to make such a claim. I therefore cannot leave such a decision to the wisdom of RBI.

I now refer to the conclusion and recommendation of the Full Bench of the Commission in paragraph 21 - *“Before parting with this appeal, we would like to record our observations that in a rapidly unfolding economics scenario, there are public institutions, both in the banking and non-banking sector, whose activities have not served public interest. On the contrary, some such institutions may have attempted to defraud the public of their moneys kept with such institutions in trust. RBI being the Central Bank is one of the instrumentalities available to the public which as a regulator can inspect such institutions and initiate remedial measures where necessary. It is important that the general public particularly the shareholders and the depositors of such institutions are kept aware of RBI’s appraisal of the functioning of such institutions and taken into confidence about the remedial actions initiated in specific cases. This will serve the public interest. The RBI would therefore be well advised to be proactive in disclosing information to the public in general and the information seekers under the Right to Information Act, in particular. The provisions of Section 10(1) of the RTI Act can therefore be judiciously used when necessary to adhere to this objective”*.

The Full bench had independently come to this conclusion after applying its mind. It had-, at paragraph 21,- clearly stated that a larger public interest was likely to be served by disclosure of the said information. It suggested that RBI should disclose most of this information in a proactive manner. The Full Bench of the Commission had effectively given a recommendation to RBI to disclose this information under Section 4 of the RTI Act. I agree with the conclusion arrived at by the bench that the disclosure of the appraisal of financial institutions by RBI and remedial measures must be shared with public in a proactive manner. Public interest would be served by such disclosure as the bench has concluded on its own, without relying on RBI. It is unfortunate that RBI appears to have taken no steps to proactively disclose this information in the last five years.

Section 8 (2) of the RTI Act states, *“Notwithstanding anything in the Official Secrets Act, 1923 nor any of the exemptions permissible in accordance with sub-section (1), a public authority may allow access to information, if public interests in disclosure outweighs the harm to the protected interests”*. Once the bench had recorded its finding of a public interest in disclosure it should have given reasons why it did not order disclosure as per the provisions of Section 8(2) of the RTI Act. The bench appears have overlooked the provisions of Section 8 (2) of the RTI Act. The full bench had arrived at the conclusion that there was a larger public interest in disclosure, but did not give any directions based on this finding, nor did it give any reasons for not giving any directions. If the Full Bench had considered the provisions of Section 8(2) of the RTI Act, it would have ruled that the requisite information should be disclosed. In view of the above, I am of the considered view that the ruling in *R. R. Patel’s Case* is *per incuriam* inasmuch it was rendered without considering the statutory provision Section 8 (2) of the RTI Act. Hence, the decision is not a binding precedent.

The RBI is a regulatory authority which is responsible for *inter alia* monitoring subordinate banks and institutions. Needless to state significant amounts of public funds are kept with such banks and institutions. Therefore, it is only logical that the public has a right to know about the functioning and working of such entities including any lapses in regulatory compliances. Merely because disclosure of such information may adversely affect public confidence in defaulting institutions, cannot be a reason for denial of information under the RTI Act. If there are certain irregularities in the working and functioning of such banks and institutions, the citizens certainly have a right to know about the same.

The best check on arbitrariness, mistakes and corruption is transparency, which allows thousands of citizens to act as monitors of public interest. There must be transparency as regards such organisations so that citizens can make an informed choice about them. In view of the same, this Bench is of the considered opinion that even if the information sought was exempted under Section 8(1)(a) or (e) of the RTI Act,-as claimed by the Respondent,- Section 8(2) of the RTI Act would mandate disclosure of the information. The Full bench had also concluded that there was a public interest in disclosure and I concur with its finding.

**The Appeal is allowed.**

The PIO is directed to provide the information as per records to the Appellant in relation to queries 2 to 6 **before 30 November 2011.**

Notice of this decision be given free of cost to the parties.

Any information in compliance with this order will be provided free cost as per Section 7(6) of RTI Act.

**Shailesh Gandhi**  
**Information Commissioner**  
**1 November 2011**

*(In any correspondence on this decision, mentioned the complete decision number.)(AK)*