

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

Appeal No. 6105 of 2024

Dinesh Gupta : Appellant

Vs

CPIO, SEBI, Mumbai : Respondent

ORDER

1. The appellant had filed an application dated July 06, 2024 (received by the respondent through RTI MIS Portal) under the Right to Information Act, 2005 (“**RTI Act**”). The respondent, by a letter dated July 11, 2024 responded to the application filed by the appellant. The appellant filed an appeal (Reg. No. SEBIH/A/E/24/00171) dated August 09, 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 application dated July 06, 2024, sought the following information:

“Information required is regarding points relevant to margin calculation by Trading Member in Equity Derivative Trading in National Stock Exchange of India

Whether debit M to M of the trading day is to be included in the margin of trading day itself. For example if margin required for trading day is Rs.5,00,000 and debit M to M of the same trading day is Rs. 50,000. Margin required for the trading day will be 5,00,000 or Rs 5,50,000 (keeping in mind that debit M to M is cleared on the next day of trading day

Out of total margin requirement, at least 50% margin is required to be maintained in the form of cash component and balance can be in equity collateral form as per norms. In case of shortage of cash component, trading members are charging interest on the shortage amount. Please inform 50% cash margin component will be calculated on Rs. 5,00,000 or on Rs 5,50,000 for the trading day (considering above example)

Whether whole credit balance appearing in ledger of client will be taken for calculating 50% component or balance will be made first 90% and then 50% will be calculated. For example If credit balance appearing in ledger is 5,00,000 then for calculating 50% cash component, Rs. 5,00,000 or Rs 4,50,000 will be considered.

Similarly complete value of securities after hair-cut will be considered for calculating 50% non-cash margin or after taking the value of security as 90%. For example if value of securities after hair-cut is 20,00,000 then for calculating 50% non-cash margin Rs. 20,00,000 will be considered or Rs.18,00,000

3. **Reply of the Respondent** - The respondent, in response to the application, informed that the queries are not clear and are in the nature of seeking clarification. Accordingly, the same cannot be construed as

information u/s 2(f) of the RTI Act, 2005. However, the respondent informed that SEBI guidelines w.r.t methodology for computation of MTM Margin are prescribed in “Chapter 4 - Comprehensive Risk Management for Cash Market and Debt Segment” of SEBI Master Circular for Stock Exchanges and Clearing Corporations dated October 16, 2023. The respondent provided the relevant links to access the same. Further, the respondent informed that SEBI also issues several circulars/guidelines w.r.t methodology for computation of MTM Margin from time to time and the same are available on SEBI website. The respondent also provided the link to access SEBI circulars.

4. **Ground of appeal - Ground of appeal** - The appellant filed the appeal on the ground that he was refused access to information requested.
5. I have perused the aforesaid request and the response provided thereto. I concur with the response of the respondent that the request of the appellant is in the nature of seeking clarification/explanation from the respondent. The respondent is not supposed to create information; or to interpret information; or to furnish clarification to the appellant under the ambit of the RTI Act. I find that the said request cannot be construed as seeking ‘information’ as defined under section 2(f) of the RTI Act. Consequently, the respondent did not have an obligation to provide such clarification or opinion under the RTI Act. In this context, I note that the Hon’ble Central Information Commission, in the matter of *Parvinder Singh vs. Public Information Officer under RTI* (Order dated July 19, 2021), held that, “12. Nevertheless, Commission has gone through the case records and on the basis of proceedings observes the information sought by the appellant is clarificatory in nature and thus, doesn't qualify as information as per Section 2(f) of the RTI Act, 2005. Further, PIO is required to provide information as available with them in form of records, documents, memos, emails, opinions, advises, press releases, circulars, orders, log books, contracts, reports, papers, samples, models, data material held in any form and not supposed to create information or interpret information in respect of clarifications, hypothetical & futuristic queries.”
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**