



## **[Glossary]**

### **Secondary Market in India Part - 2**

<b>Subject:</b>	Business Economics
<b>Course:</b>	B. A., 4th Semester, Undergraduate
<b>Paper No. &amp; Title:</b>	Paper – 404 Indian Financial System
<b>Unit No. &amp; Title:</b>	Unit – 3 Secondary Market in India
<b>Lecture No. &amp; Title:</b>	Lecture – 2 Secondary Market in India Part - 2

## **Glossary**

**CDSL** - Central Depositories Services (India) Limited

**Dematerialization** - conversion of physical shares to electronic form

### **Extreme Loss Margin**

It covers the expected loss in situations that go beyond those envisaged in the 99% value at risk estimates used in the VaR margin.

### **Index sigma**

It means the daily volatility of the market index (S&P BSE Sensex or CNX Nifty) computed as at the end of the previous trading day.

### **Mark-to-Market Margin**

The MTM margin is collected on the gross open position of the Member.

### **Margins**

In order to contain the risk arising out of transactions entered into by the members in various Securities either on their own account or on behalf of their clients

**NSDL** - National Securities Depository Limited

### **Security sigma**

It means the volatility of the security computed as at the end of the previous trading day.

### **Settlement**

Ensure delivery of securities/payment of money to the broker immediately upon getting the Contract Note for sale/purchase but in any case, before the prescribed pay-in-day.

### **VaR Margin**

The VaR Margin is a margin intended to cover the largest loss that can be encountered on 99% of the days