

A photograph of two men in a professional setting, possibly a meeting or discussion. One man is in profile on the left, wearing a light-colored shirt. The other man is on the right, wearing a light-colored blazer over a t-shirt, gesturing with his hands. The background is a window with a view of trees. A dark grey semi-transparent box is overlaid on the right side of the image, containing the text.

# Non-PP Structured Product Idea

# NIFTY ACCELERATOR– 102.5% : PRODUCT SPECIFICATIONS (Non–PP Structured Products Idea)



Product Name		Nifty Accelerator– 102.5%	
<b>Issuer</b>	Anand Rathi Financial Services Limited		
<b>Underlying</b>	Nifty 50 Index		
<b>Principal Protected</b>	Principal is not protected		
<b>Tenor(days)</b>	1900 Days		
<b>Initial Fixing Level</b>	150 points contingent from closing nifty then rounded to next 100		
<b>Final Fixing Level</b>	Average of Closing NIFTY on last Thursday of 44 <sup>th</sup> , 47 <sup>th</sup> , 50 <sup>th</sup> , 53 <sup>rd</sup> & 56 <sup>th</sup> Month.		
<b>Nifty Performance (NP)</b>	(Final Fixing Level/Initial Fixing Level)-1		
<b>Contingent Coupon (CC)</b>	102.5% (IRR – ~14.52%)		
<b>Participation Rate1 (PR1)</b>	100%(From 115% to 134% of Initial Fixing Level)		
<b>Participation Rate2 (PR2)</b>	8350%(From 133% to 134% of Initial Fixing Level)		
<b>Decay Multiple (DM1) ® Knock-In Put @ 84.99%</b>	1.4x (below -15% till -30% fall with catch-up)		
<b>Decay Multiple (DM2) ® Nifty @ 69.99% of initial</b>	0.4x (Between -30% till -90% fall decay decreases)		
<b>Payoff</b>	If Final Fixing Level is at or above 134% of Initial Fixing Level	Contingent Coupon	
	If Final Fixing Level is above 115% & below 134% of Initial Fixing Level	$(NP-15\%)* PR1 + \text{Max}(0\%,(NP-33\%)*PR2)$	
	If Final Fixing Level is at or above 85% & at or below 115% of Initial Fixing Level	Principal Protection	
	If Final Fixing Level is below 85% of Initial Fixing Level	$\text{MAX}(-100\%,\text{MAX}((-30\%*DM1),NP*DM1)+\text{MIN}(0\%,(NP+30\%)*DM2))$	
	If Final Fixing Level is below 10% of Initial Fixing Level	NP	

# NIFTY ACCELERATOR- 102.5%: PAYOFF (Non-PP Structured Products Idea)

Nifty Values	Nifty Perf.	Product Return	Nifty IRR	Product IRR
51435	102.5%	102.5%	14.5%	14.5%
38100	50.0%	102.5%	8.1%	14.5%
34036	34.0%	102.5%	5.8%	14.5%
33782	33.0%	18.0%	5.6%	3.2%
31750	25.0%	10.0%	4.4%	1.8%
29464	16.0%	1.0%	2.9%	0.2%
29210	15.0%	0.0%	2.7%	0.0%
27432	8.0%	0.0%	1.5%	0.0%
25400	0.0%	0.0%	0.0%	0.0%
25052	-1.4%	0.0%	-0.3%	0.0%
22860	-10.0%	0.0%	-2.0%	0.0%
21590	-15.0%	0.0%	-3.1%	0.0%
21587	-15.01%	-21.01%	-3.1%	-4.4%
20320	-20.0%	-28.0%	-4.2%	-6.1%
17780	-30.0%	-42.0%	-6.6%	-9.9%
13970	-45.0%	-48.0%	-10.8%	-11.8%
2540	-90.0%	-66.0%	-35.7%	-18.7%
2537	-90.01%	-90.01%	-35.8%	-35.8%
0	-100.0%	-100.0%	-100.0%	-100.0%

Product IRR\*

~14.52%

**Tenor** – 1900 Days  
**Expiry** – Avg. of 44 ,  
47, 50, 53, & 56  
Months

**\*\*Standard  
Deviation**  
4.67%

**Target Nifty Perf.**  
34%

+

## Product Explanation

NP >= 34%	102.5% (Contingent Coupon)
33% < NP < 34%	Max(0%,(NP-33%)*PR2)
15% < NP < 34%	(NP-15%)* PR1
-15% <= NP <= 15%	Principal Protection
-30% <= NP < -15%	1.4x Decay with Catch-up
-90% <= NP < -30%	Decay decreases to 0.4x
Nifty Falls Beyond -90%	Nifty performance

\*Product IRR assume to be Pre-Tax IRR

•NP: Nifty Performance

^ Initial Fixing Level is taken as 25236, adding 150 points contingent: 25386, rounded off to next 100: 25400.

\*\*Historical Standard Deviation is calculated for 1710 days daily rolling NIFTY (Working Days Only) return from 1st Jan'2001 – 31st August 2024.

Investment Value per debenture: 1,25,000/- (Issued at a premium)

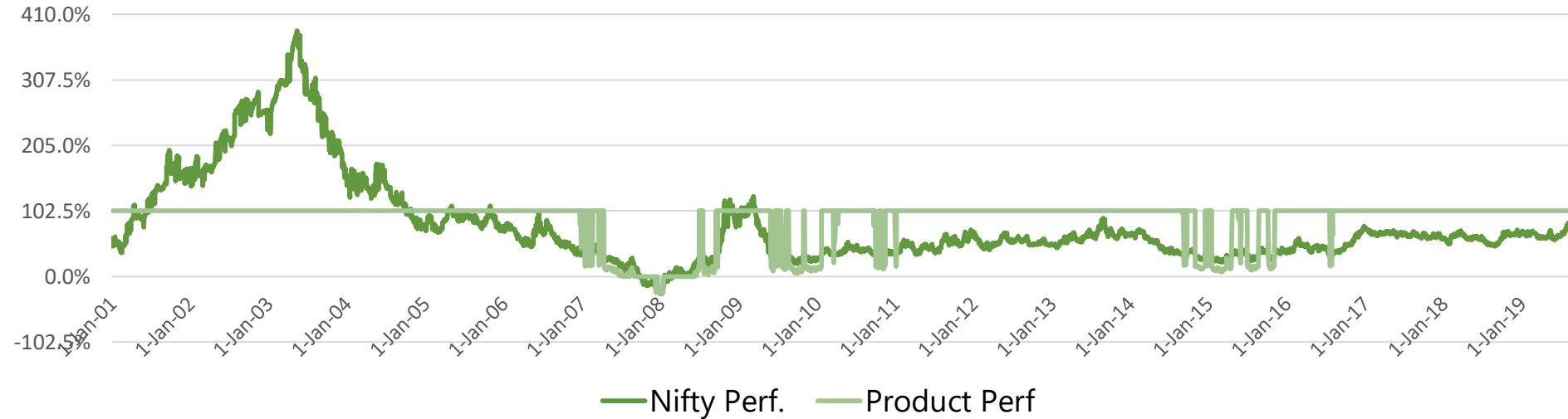
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# NIFTY ACCELERATOR – 102.5%: PRODUCT BACK TESTING (Non-PP Structured Products Idea)



Historical 1710 Day Rolling Return (Nifty Working Days Only)

## 5 year Nifty Accelerator - 102.5%



NIFTY Accelerator – 102.5% Historical Probability		
Particulars	Normal	%
Total Observations	4722	
% of time Product has given Maximum Returns (102.5%)	3993	84.56%
% of time Product has given zero or positive returns	4701	99.56%
<b>Standard Deviation</b>		<b>4.67%</b>

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\*Historical probability & Standard Deviation is calculated considering coupon of 102.5% and 1710 Day daily rolling Nifty (Working Days Only) returns as on 31<sup>st</sup> August 2024. Nifty Data from 1<sup>st</sup> Jan'2001 to 31<sup>st</sup> August 2024.

# TYPES OF NON-PP SP ISSUANCE

- Treasuries have the flexibility to issue debentures either at discount, at par or at a premium.
- Irrespective of the price of the debenture, The final maturity value of the Non-PP SPs remains the same as per the terms defined in the Order Confirmation Letter.
- Let us understand this with an example of investing 1Cr. In the NIFTY Accelerator that has a maturity coupon of 102.5%\*

Type of Issuance	Investment Value	Price of Debenture	No. of Debentures (Investment Value/Price)	Price per Debenture at Maturity(102.5% Coupon)	Maturity Value*
Option 1- Issued at Par	1,00,00,000	1,00,000	100	2,02,500	<b>2,02,50,000</b>
Option 2- Issued at Premium	1,00,00,000	1,25,000	80	2,53,125	<b>2,02,50,000</b>

*\*Maturity Coupon of 102.5% is subject to NIFTY Performance of 34% on the pre defined observation dates.*

- As can be seen in the above table, from the Investors perspective it does not make any difference if the debentures are issued at par or at premium.
- Also, Issuing Non-PP SPs at a premium has NO IMPACT to the Investment in all aspects including
  - ✓ The Predefined NIFTY Linked Product Returns
  - ✓ Capital Gain Taxation on Investment
  - ✓ Security Cover on the Secured Non-PP SPs

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The Debentures and the return and/or maturity proceeds hereon, are not guaranteed or insured in any manner by the Issuer. **Market Risk** - The return of the portfolio is linked to performance of the underlying Equity Index. The fluctuations in the equity market can be significant. The value of the Debentures, prior to the Redemption and Maturity Date, may be affected by a number of factors, interest rates and time remaining to maturity. **Potential Loss of Capital and/or Interest Income** - It is possible that the prospective investor may receive zero interest over the Investment period or may even suffer significant loss of capital as defined in the payoff formula. **Credit risk** - The Debentures are unrated. The investors should do their own independent evaluation of the credit risk of the Issuer. **Liquidity Risk** - Pre-termination of the Debentures by the investor prior to the Redemption and Maturity Date is possible subject to prevailing market terms and conditions and approval of the issuer. There is no guarantee of what amount the investor would receive, if the Debentures were liquidated prior to the Redemption and Maturity Date. The Debentures, even if listed, may not be marketable or may not have a market for sale at all. **Early Termination Risk** - If the Debentures are terminated prior to the Redemption and Maturity Date, the value of the Debentures is exposed to prevailing market conditions. As a result, by terminating the Debentures prior to the Redemption and Maturity Date, the investor may receive an amount much lower than the initial amount invested. **Event Risk** - The trading on Nifty in futures & options is subject to certain event risks including but not limited to certain events such as Market Disruption, Settlement Disruption, Insolvency, Delisting, Merger and Nationalization. Calculation Agent may in such case adjust the terms at its sole discretion to reflect the new market conditions. This may even include redeeming the debentures prior to the Redemption and Maturity Date. If there is a stock split, issue of bonus shares or other event which changes the number of issued shares of the underlying in the basket or the composition of the basket, the calculation agent may adjust the contract terms, at its sole discretion, to reflect the market conditions. If Nifty cannot be observed on any observation day due to any reason, the Issuer may use the next available trading day as an observation day. **Early Redemption Risk** - Value obtained in case of early redemption will be at the discretion of the Issuer and early redemption may lead to a significant loss irrespective of Nifty levels. ARFSL / ARWL or the Issuer will not be responsible for this loss in anyway whatsoever. **Index Constitution Risk** - The Index Provider undertakes a periodic review of the scripts that comprise the Reference Index and may either drop or include new securities as per his own discretion. **Trading Risks and Conflicts** - The issuer or any of its Agents, from time to time may have long or short positions in Nifty indices, futures and options ("Reference Assets") (and other similar assets), they may act as an underwriter or distributor of similar instruments, the returns on which or performance of which, may be at variance with or asymmetrical to those on the Debentures, and they may engage in other public and private financial transactions (including the purchase of privately placed investments or securities or other assets). The forgoing activities of the Issuer or any of its Agents and related markets (such as the foreign exchange market) may affect the value of the Debentures. In particular, the value of the Debentures could be adversely impacted by a movement in the Reference Assets, or activities in related markets, including by any acts or inactions of the Issuer or any of its Agents.

# Thank You

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