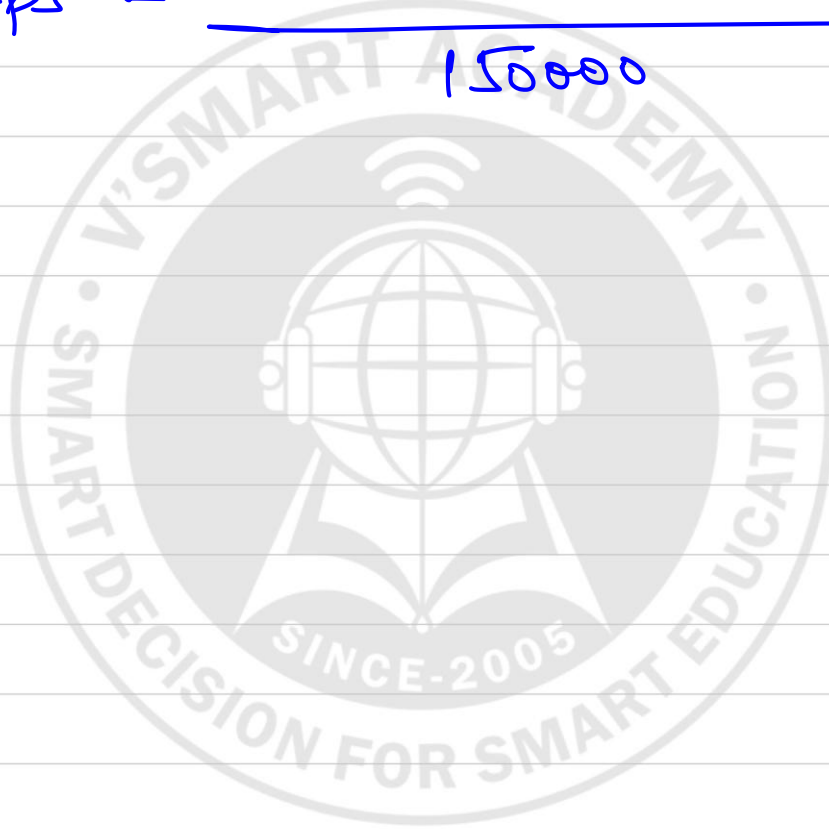


$$DEPs = \frac{630000}{150000} \times 100 = 4.2\%$$

Ex:-15

$$BEps = \frac{510000}{100000} = 5.10000$$

$$DEPs = \frac{510000 + 120000}{150000} = 4.20\%$$



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Revision of As 20

1) Types $\begin{cases} \text{Basic EPS} \\ \text{Diluted} \end{cases}$

2) Basic $\Rightarrow \frac{\text{E.A.E.S.H}}{\text{W. Avg of no.}}$

3) W. Avg:-

OPING ——— 12/12

New Issue
Buy Back
Conversion $\Rightarrow$ Time wise

Bonus $\frac{12}{12}$

4) Parity or different face values $\rightarrow$ W. Avg. of ESC (\$) $\downarrow$ EPR $\downarrow$ EPR $\times$ Paid up = EPS

5) Right issue :-

(no. before $\times$ cum) + (Right no. $\times$ R.I. price)

① Ex-Right price $\downarrow$

$$\textcircled{2} \text{ Right factor} = \frac{\text{Cum}}{\text{Cse}}$$

↓

always multiply with those no. o/s
before R.I

$\textcircled{3}$ Weighted Avg.

$$\text{Opng} \times \text{RF} \times \text{Tw}$$

$$(+)(\text{Op} + \text{Public issue}) \times \text{RF} \times \text{Tw}$$

$$(+)(\text{Op} + \text{P.I} + \text{R.I}) \times \text{Tw}$$

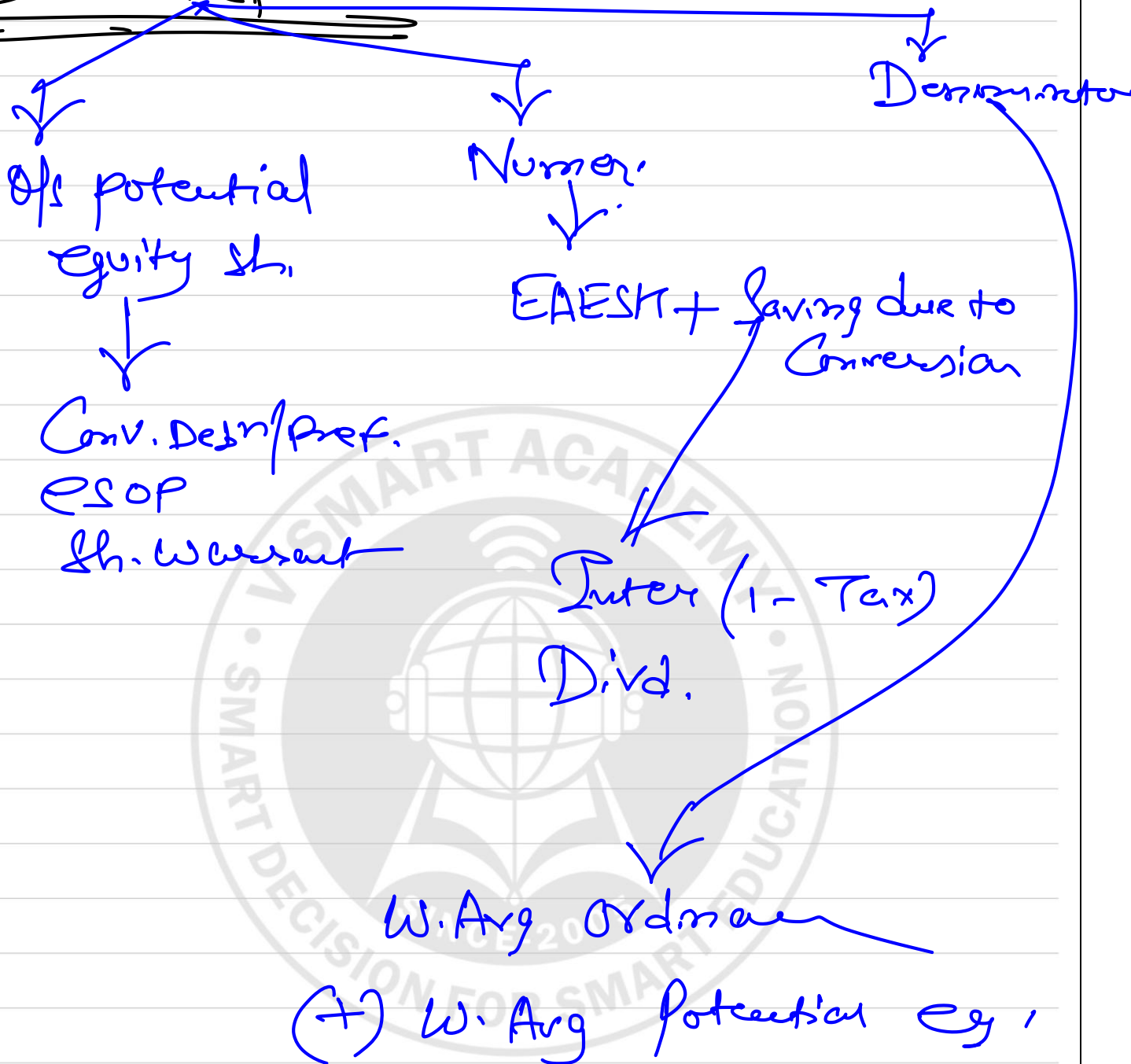
$\textcircled{4}$ EPS

$\textcircled{5}$ Restricted

↓

RF

Diluted Eps



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EXAMPLE 18:

EAESH = 18,00,000

No. of Equity Shares = 1,00,000

During the year, 10,000 no. of Debenture @ 11% Interest issued at face value 100/-

Conversion into equity is 40,000 no. after 3 years

Interest paid on such Debenture = 27,500/-

Tax (30%)

1/Jan

Solution:-

$$\frac{27500}{110000} \times \frac{1}{4}$$

$$12 \times \frac{1}{4} = 3$$

$$\text{DEPs} \Rightarrow \frac{1800000 + (27500 - 30\%)}{100000 + \left(40000 \times \frac{3}{12}\right)} \Rightarrow 16.53/-$$

Solution:-

$$1) \text{ Basic Eps} = \frac{1800000}{100000} = 18/- \text{ per share}$$

2) Interest on Dbn paid during the year is 27500
 However Total Interest annually is 110000
 Hence Interest is paid for 3 months only.

Therefore, Dbn are issued on 1/Jan of Cy.

$$3) \text{ Diluted Eps} = \text{EAE SH} + \left(\text{Saving of Int. after Tax on Potential eq.} \right)$$

$$\left(\text{W. Avg. Ordinary sh.} \right) + \left(\text{W. Avg Potent. Shares} \right)$$

$$4) \text{ DEps} = \frac{1800000 + (27500 \times 70\%)}{100000 + (40000 \times 3/12)} = 16.53/-$$

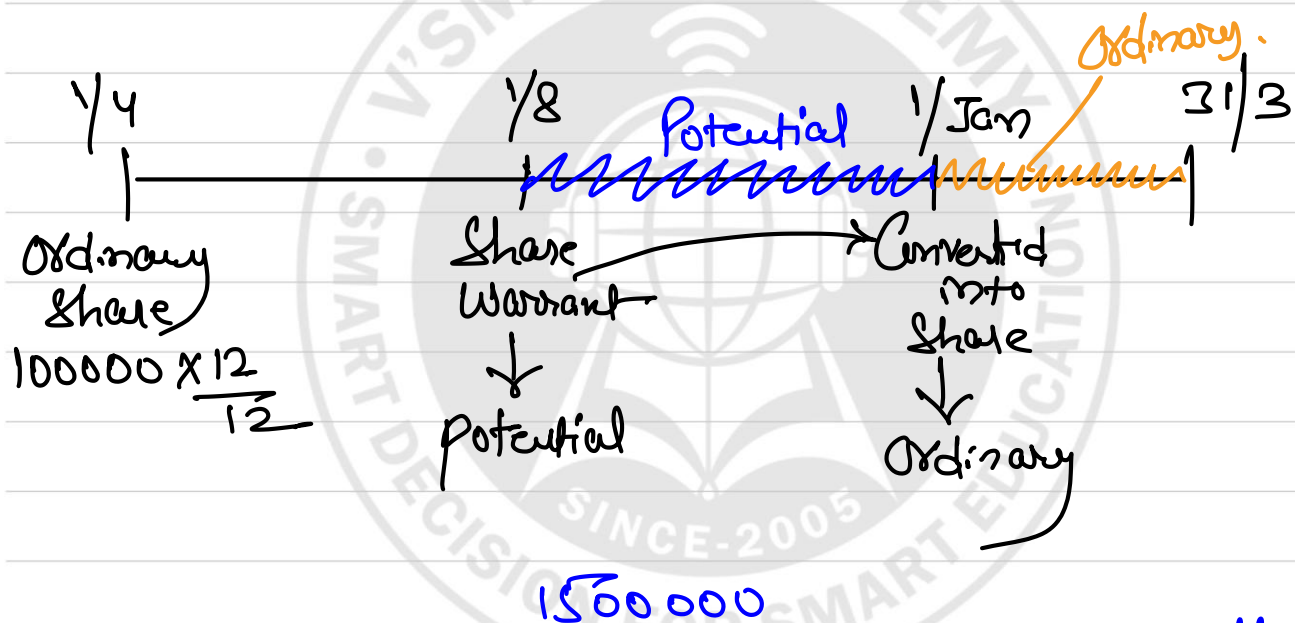
Options = 75000 ✓
 Exercise Price = 45
 MP = 150

$$\begin{aligned} \text{Actual funds} &= 75000 \text{ no.} \times 45 = 3375000 \\ &\quad \underline{150} \\ &= 2250000 \end{aligned}$$

Ex: 20 (As Trmp)

$$\text{Basic Eps} = \frac{\text{EAESH (include EOI \& PPI)}}{\text{W. Avg. of Ordinary no.}}$$

$$\text{Diluted Eps} = \frac{\text{EAESH (Exclude effect of EOI \& PPI)}}{\text{W. Avg of ord + W. Avg of potential}}$$



$$\text{Basic Eps} = \frac{1500000}{\left(100000 \times \frac{12}{12}\right) + \left(100000 \times \frac{3}{12}\right)} = 14.63/-$$

$$\begin{aligned} \text{Diluted Eps} &= \frac{1500000 - 150000}{\text{W. Avg ordinary} + \left(100000 \times \frac{5}{12}\right) \text{ W. Avg potential}} \\ &= 12.65/- \end{aligned}$$

Class Example

$$\text{EBIT} = 25,00,000, \quad \text{Tax Rate} = 25\%$$

- 1) 1/4 = Ordinary shares opng 80,000
- 2) 1/6 = public issue of ord. shares 25,000
- 3) 1/7 = share warrant issued 12,000 no.
Converted on 1/11
- 4) 1/4 = opng. Convertible Debt of 18,00,000/-
@ 11% Interest
Converted on 1/Feb of Cy into
36,000 ordinary shares.
- 5) 1/12 = Issued New ESOPs of 40,000 no.
at Exercise price of 75/- each
MP per share = 120/- each.

Calculate Basic & Diluted Eps.

Sol) :-

Basic Eps

$$\begin{aligned} 1) \quad \text{EBIT} &= 25,00,000 \\ (-) \text{Int.} &= (16,50,000) (10 \text{ months}) \end{aligned}$$

$$\text{EBT} = 23,35,000$$