OFU Approach 1 (Exam ke liye nahi Hai)

Step 1:- Calculate Ex-Right Price OF Share

(Cum Right price will be given)

↓ mahnga

With Right advantage

↑ pura share ka FV value Without any Right Advantage

$$\frac{(\text{No. of Shares O/s before Right issue} \times \text{Cum Right price}) + (\text{Right issue shares} \times \text{R.I price})}{\text{Total Shares after R. Issue}}$$

Ex:- FY 24-25, 1/4/24 O/s Shares 90000 no.

Right issue announced on 1/8/24 1:3

EAESH (@ 150000) @ 60/- per share

Cum Right price decided = 120/-

Step 1:- $\frac{(90000 \times 120) + (30000 \times 60)}{120000 \text{ no.}} = 105/-$ Ex-Right price

Step 2:- Calculate Paid part & Bonus part in Total Right issue

Funds raised thru Right issue (Cash) $\Rightarrow 30000 \times 60$

$\Rightarrow 18,00,000$

If same Funds could have been raised from general public @ 105/- Then How many shares should be issued

$$\frac{1800000}{105} = 17,142 \text{ no.}$$

↓

Paid part

Bonus part = Total Right issue − Paid part

$= 30000 - 17142$

$= 12858$ no.

Step3:- Calculate W. Avg. no of Shares

1/4 Opng $90000 \times 12/12 = 90000$

1/8 **Right issue :-**

paid part $17142 \times \frac{8}{12} = 11428$

Bonus part $12858 \times 12/12 = 12858$

114286

Step4:- Calculate BEPS of Cy

$$\frac{1500000}{114286} = 13.12/-$$

Step5:- Calculate Restated Eps of Py if py EAESH is 120000

$$\frac{1200000}{90000 + 12858} = 11.66/-$$

Approach 2

Step1 :- Ex-Right price = 105/-

Step2 :- Right Factor :- $\frac{Cum}{ex} = \frac{120}{105}$

Step3 :- Calculate Weighted Avg. O/s Shares

1/4 op.no. $90000 \times \frac{120}{105} \times \frac{4}{12} = 34285$ no.

1/8 Right issue $120000 \times \frac{8}{12} = 80000$

114285

Step4 Cy EPS :- $\frac{1500000}{114285} = 13.12$/-

Step5 Py EPS :- $\frac{1200000}{90000 \times \frac{120}{105} \times \frac{12}{12}} = 11.66$/-

Ex:-13 Step 2 $\frac{Cum}{ex} = \frac{100}{96.67}$

Step 3 :-

1/4 Opng $150000 \times \frac{100}{96.67} \times \frac{3}{12} =$

1/7 Public issue $180000 \times \frac{100}{96.67} \times \frac{3}{12} =$

1/10 Right $270000 \times \frac{3}{12} =$

1/1 public issue $320000 \times \frac{3}{12} =$

132842

Step 4 :- Cy Eps =

Diluted Eps (DEps)

DEps = 10/-

CAESH = 1200000 + 210000

12% Debn of 2500000 Convert

Tax 30%

EBIT = 1800000	EBIT = 1800000
(-) Inter = 300000	(-) Int = 0
1500000	1800000
(-) Tax 450000	(-) Tax 540000
CAT = 1050000	CAESH = 1260000
(-) Pref D	
CAESH = 1050000	

1050000 + (Int after Tax)

1050 + 210 = 1260

EBIT = 1800000

12% Pref. Share 25 Lac.
Convert

Tax 30%.

	1800000
(-) Tax	
	1260000
	300000
	960000

Basic	Diluted
EAESH = 960000	EAESH = 1260000
	↓
	960000 + Divd

EXAMPLE 14:

EBIT = 9,00,000 (Current Year 23-24)

Tax Rate = 30%

1/4/23 = Outstanding 8% Convertible Debenture of ₹ 15,00,000, Face Value is ₹ 100 (Convertible in next year into 50,000 no of equity shares)

1/4/23 = Outstanding equity shares 1,00,000 no.

Calculate BEPS & DEPS

SOLUTION:

a) Basic EPS :-

Numerator		Denominator	
EBIT	= 900000	W.Avg ordinary Sh.	100000
(-) Int.	= (120000)		
EBT	= 780000		
(-) Tax	= 234000		
EAESH	= 546000	Basic = 546000/100000	
		= 5.46/-	

2) Dilvted EPS :-

a) Numerator :- = 546000 + (120000 X 70%)
= 630000

b) Denominator :- W.Avg Ord. Sh. = 100000
(+) W.Avg Potential Sh. = 50000
50000 X 12/12 = 150000