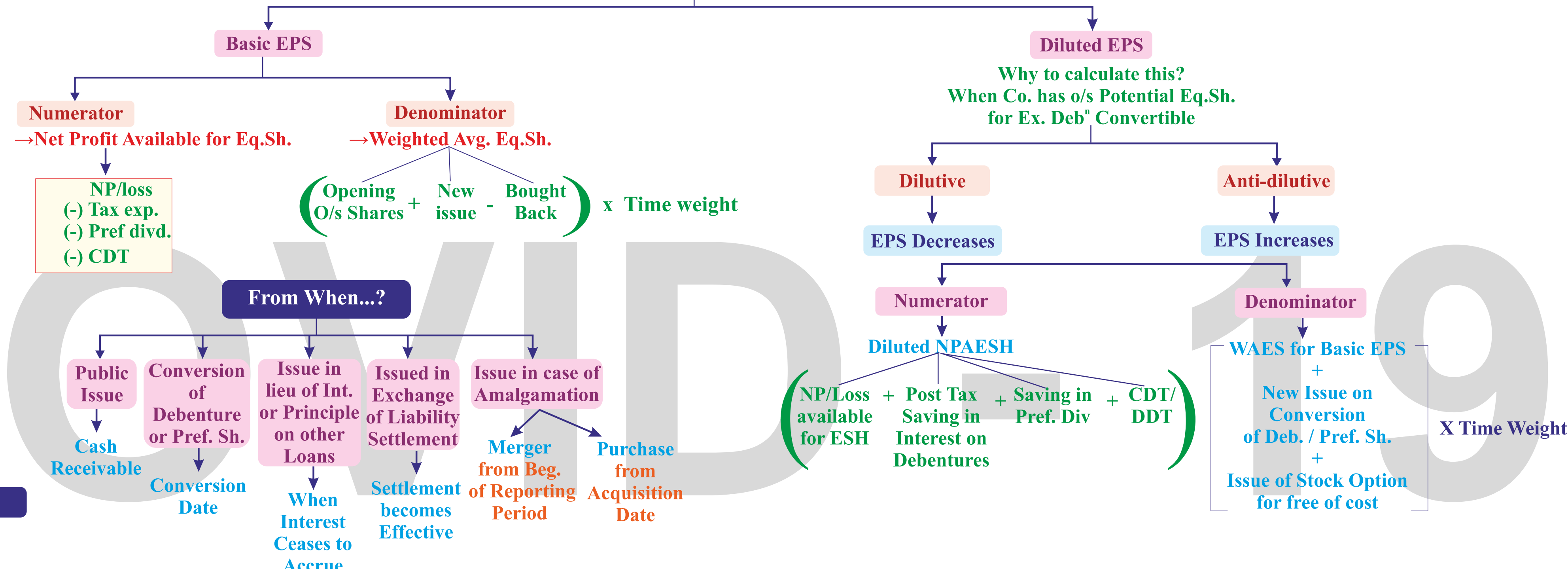


1 Presentation

Present
 → Both EPS & DEPS on the face of SPL
 → with equal prominence to both
 → Negative EPS & DEPS both
 → Consolidated EPS & DEPS in CFS

2 Measurement & Restatement



3 Right Issue see below

Steps

STEP - 1:- Theoretical Ex - Right Price
 (Cum - Right Price)

$$= \frac{\text{Fair Value Before Right} \times \text{No. of Shares Before Right} + \text{Right Shares} \times \text{Exercise Price}}{\text{No. of Shares after Right}}$$

STEP - 2:- Right Factor OR Adjustment element

$$= \frac{\text{Fair Value Prior to Right (Cum - Right Price)}}{\text{Theoretical Ex - Right Price}}$$

STEP - 3:- Basic EPS

$$\frac{\text{Net P/L for ESH}}{[(\text{O/s Eq. Share Before Right} \times \text{Right Factor}) \times \text{Time Weight}] + [\text{Total no. of shares after Right Issue} \times \text{Time Weight}]}$$

4 Special Cases

- A) Reduce Cum. Prf. Divd. - if proposed or not
Reduce Non Cum. PD - Only if proposed
- B) Different Face Value OR Partly paid Sh.
- Use Amount of Equity Capital instead of Nos.
- C) Bonus / Split / Reverse split -
Date is always irrelevant (time weight always 12/12)

5 Re-Statement

→ When no. of Shares Increase / Decrease on Conversion
 → Take new no. of Shares if change happens between B/S date and Approval of Accounts.
 for Ex:- Share Split or Share consolidation

6 Example of Potential Eq. Sh.

- Convertible Debn
- Convertible Pref. Sh.
- ESOP
- Share Warrants