ANNEXURE

(1) Economic Value Added

\[ EVA = \text{ADJUSTED NET PROFIT} - \text{WACC} \times \text{Capital Employed} \]

(2) Weighted Average Cost of Capital

\[ \text{WACC} = \left( \frac{\text{net worth}}{\text{total assets}} \right) \times \text{Ke} + \left( \frac{\text{total external liabilities}}{\text{total Liabilities}} \right) \times \text{Kd} \]

Where \( \text{Ke} = \text{Cost of Equity} \)

\( \text{Kd} = \text{Cost of Debt} \)

(3) Cost of Perpetual Debt

\[ K_i = \frac{I}{P} \times 100 \]

Where \( I = \text{Interest annual} \),

\( P = \text{Net amount received} \),

\( K_i = \text{Cost of debt} \)

Cost of Debt after tax \( K_d = I \times (1 - t) \) or \( K_i \times (1 - t) \)

Where \( I = \text{Interest payable} \)

\( t = \text{tax rate} \)

Specific Cost of Debt

\[ K_d = \frac{\text{Total interest}}{\text{Total debt}} \times (1 - t) \]

Where \( K_d = \text{cost of debt after tax} \)

\[ t = \text{tax rate} = \frac{\text{Total tax paid}}{\text{EBIT} - I} \]

Where, EBIT = Earnings Before interest and Tax.

\( I = \text{Total Interest} \)
(4) **Dividend Yield Method for COE**

\[ KE = \frac{D_1}{PE} \]

Where 
- **KE** = Cost of Equity
- **D_1** = Annual Dividend per share
- **PE** = Ex-dividend market price per share

(5) **Dividend Growth Model**

\[ KE = \frac{D_1}{PE} + g \]

Where 
- **D_1** = Current dividend per Equity share
- **PE** = Market price per equity share
- **g** = Growth in expected dividend

(6) **Price Earning Method**

\[ KE = \frac{E}{M} \]

Where 
- **E** = Current earnings per share
- **M** = Market price per share

(7) **Capital Asset Pricing Model**

\[ R_j = R_f + \beta_j \times (R_m - R_f) \]

Where 
- **R_j** = the expected rate of return on security j
- **R_f** = Risk – free rate of interest
- **\beta_j** = The beta co-efficient of systematic risk of security j
- **R_m** = The Expected rate of return on the market portfolio of Securities

(8) **Beta Coefficient**

\[ \beta_i = \frac{\text{cov}(r_i, r_M)}{\text{var}(r_M)} \]

Where 
- **\beta_i** = Beta value of Security i
- **r_i** = Stock return of Security i
- **r_m** = Market return of Security i
(9) Average
\[
\bar{X} = \frac{\sum X}{n}
\]
Where \( \bar{X} \) = Average of sample
\( \sum X \) = summation of sampled companies
\( n \) = number of companies

(10) S.D.
\[
\sigma = \sqrt{\frac{\sum (X - \bar{X})^2}{n-1}}
\]

(11) Coefficient of Variance
\[
C.V. = \frac{\sigma}{\bar{X}} \times 100
\]
Where C.V. = Coefficient of Variance
\( \sigma \) = Standard Deviation
\( \bar{X} \) = Mean of Sample Company

(12) Slope
\[
M = \frac{Y_2 - Y_1}{X_2 - X_1}
\]
Where M = Slope of two variables
\( Y_2 \) = today’s stock price
\( Y_1 \) = yesterday’s stock price
\( X_2 \) = today’s sensex price
\( X_1 \) = yesterday’s sensex price

(13) Return
\[
R_t = \frac{P_t - P_0}{P_0}
\]
Where \( R_t \) = Rate of Return
\( P_t \) = Today’s Stock Price
\( P_0 \) = Yesterday’s Stock Price