

APPLICATION-PREFERENCE SHARES (A CASE STUDY)

with ICICI [pension table](#) for a scheme holder

(Mrs. Shanti venkataraman) at age 62

Date: June 1, 2016.

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Last update: October 19 2016 09:35.IST

The printout [size A4 portrait] SCALING required is 85% or below to match out the page numbers given in following INDEX pages

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APPLICATION-PREFERENCE SHARES (A CASE STUDY)

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CUSTOM MENU

INFLAPRO APPLICATION-PREFERENCE SHARES

CHARTS FOR CUSTOM PARAMETER

(INFLAPRO is the calculation to know the starting payment for a given principal term rate inflation constant
<http://www.bnv.bvraghav.com/projects/pension/> to know about INFLAPRO)

Registration/LOGIN/password Required

| | | | |
|---|---|---|--|
| Customer id | <input type="text"/> | showNewRegn | <input type="text"/> |
| Password | <input type="text"/> | new registration | forgot password |
| | | change password | |
| COMPOUNDING | <input type="text" value="Yearly"/> | Principal-amt Rs. | <input type="text" value="10000"/> |
| Yearly | <input checked="" type="radio"/> | click desired inflation constant below: | <input type="text" value="10% pa"/> |
| Hyrlly | <input type="radio"/> | 0% 1% 2% 3% 4% 5% 6% 7% 8% 9% 10% | |
| Qyrlly | <input type="radio"/> | Enter Choice of interest rate %pa: | <input type="text" value="10"/> |
| monthly | <input type="radio"/> | | |
| term (1 to 60yrs) | <input type="text" value="10"/> term(at click) | | |
| | 5 10 15 20 25 30 35 40 45 50 55 | | |
| shownext | | | |
| immediate pension/payout option: | <input type="checkbox"/> | | |
| <input checked="" type="checkbox"/> Further pension(yes/no) | <input type="checkbox"/> Further half pension(yes/no) | <input checked="" type="checkbox"/> maturityval(yes/no) | <input checked="" type="checkbox"/> check submit this box for custom options |
| custom lic: | <input type="text" value="0"/> | | |

sample [?](#)

SUCCESS limit=huge hts=1 [continue](#)

RESULT For ABOVE CUSTOM MENU

GIVEN PARAMETERS

Principal:10000 Rate:10%pa Term:10 years Freq:Yearly
 beginningperiodFlag:false Infla.Const:10%pa

| option | description | First Annuity amt |
|---------------------------|---|-------------------|
| WITHOUT ROP | | |
| nil,1 | code: nil,1 ROP: ROP is not applicable conventional Annuity: Life Annuity mode: constant rate, conventional | 1627.46 |
| nil,4 | code: nil,4 ROP: ROP is not applicable conventional Annuity: Life Annuity mode: annuity increases at 1.1 times every year until term and further annuity same as default EMI of conventional rate as in defa,1 above | 1100 |
| nil,7 not applicable | code: nil,7: ROP: ROP is not applicable as per NAV Annuity: Life Annuity mode: annuity increases at 1.1 times every year until term and further annuity same as 100% last annuity drawn. and ROP as per NAV | ... |
| WITHOUT ROP | | |
| nil,10 not applicable | code: nil,10: ROP: ROP is not applicable as per NAV Annuity: Life Annuity mode: annuity increases at 1.1 times every year until term and further annuity same as 50% last annuity drawn.and ROP as per NAV | ... |
| WITH ROP | | |
| defa,1 | code: defa,1 ROP: WITH ROP 100% of Principal conventional Annuity: Life Annuity with Return of Purchase price, mode: constant rate, conventional | 1000 |
| defa,4 | code: defa,4 ROP: WITH ROP 100% of Principal conventional Annuity: Life Annuity with Return of Purchase price, mode: annuity increases at 1.1 times every year until term and further annuity same as default EMI of conventional rate as in defa,1 above | 675.9 |
| defa,7 | code: defa,7: ROP: WITH ROP 100% of Principal as per NAV Annuity: Life Annuity with Return of Purchase price, mode: annuity increases at 1.1 times every year until term and further annuity same as 100% last annuity drawn. and ROP as per NAV | 550 |
| WITH ROP | | |
| defa,10 not applicable | code: defa,10: ROP: WITH ROP 50% of Principal as per NAV Annuity: Life Annuity with Return of Purchase price, mode: annuity increases at 1.1 times every year until term and further annuity same as 50% last annuity drawn.and ROP as per NAV | ... |

| WITH ROP (50% of PRINCIPAL) | | |
|-----------------------------|---|---------|
| half,1 | code: half,1: ROP: WITH ROP 100% of Principal conventional Annuity: Life Annuity with Return of 50% of Purchase price continued at of last annuity beyond term or on death mode: constant rate, conventional | 1313.73 |
| half,4 | code: half,4: ROP: WITH ROP 100% of Principal conventional Annuity: Life Annuity with Return of 50% of Purchase price continued at of last annuity beyond term or on death mode: annuity increases at 1.1 times every year until term and further annuity same as default EMI of conventional rate as in defa,1 above | 887.95 |
| half,7 not applicable | code: half,7 ROP: WITH ROP 100% of Principal as per NAV Annuity: Life Annuity with Return of 100% of last annuity beyond term or on death mode: annuity increases at 1.1 times every year until term and further annuity same as 100% last annuity drawn. and ROP as per NAV | ... |
| WITH ROP (50% of PRINCIPAL) | | |
| half,10 | code: half,10 ROP: WITH ROP 50% of Principal as per NAV Annuity: Life Annuity with Return of 50% of Purchase price continued at 50% of last annuity beyond term or on death mode: annuity increases at 1.1 times every year until term and further annuity same as 50% last annuity drawn.and ROP as per NAV | 733.33 |

The existing websites of the author

giving inflapro solutions are : <http://www.bnvenkat.com> | <http://www.bnv.bvraghav.com>

eop

url: /bnv_www/PENSION_AJAX/custom/customquickfixsudhaMurthy.php?i=262

| InflaproDividend incase of Preference Shares 10% return of a sample company Rate inflation=10% InflaproDiv varies from 6.7590% to 15.9373% Approx Investment=Rs.10000 No.of shares=1000 Normal-divd=10% FaceValue=Rs.10.00 [Yearly] | | | |
|--|------------------------|--|--------------------------------|
| Year | dividend as % [Yearly] | Convertible if applicable no of eq.shares. | Bal cash adjustmt if converted |
| 1 st yr | 6.7590 | 1032 | Rs.4.10 |
| 2 nd yr | 7.4349 | 1061 | Rs.3.02 |
| 3 rd yr | 8.1783 | 1086 | Rs.-3.52 |
| 4 th yr | 8.9962 | 1104 | Rs.2.51 |
| 5 th yr | 9.8958 | 1116 | Rs.-2.83 |
| 6th yr | 10.8854 | 1118 | Rs.4.35 |
| 7 th yr | 11.9739 | 1111 | Rs.-4.61 |
| 8 th yr | 13.1713 | 1090 | Rs.-1.21 |
| 9 th yr | 14.4885 | 1054 | Rs.-0.18 |
| 10 th yr | 15.9373 | 1000 | Rs.0.06 |

Notes: This is sample inflapro Calutaions for Pref shares in code: defa,4

- Rate inflation considered is 10%
- InflaproDividend varies from 6.7590% to 15.9373% Approx [Yearly]
- In lieu of normal/conventional Dividend of 10% [Yearly]
- This is a scientific way of arriving at EQUIVALENT method of conventional and INFLAPRO
- The idea is to pay a less dividend during first half of periodof INFLAPRO and accumulate the difference to the conventional one in the increased share itself and pay more dividend at later years than the conventional one without any extra burden to the company
- With inflapro, a company can easily propose pref.share as convertible to equity. If the preference share is convertible, the accrued value of shares increases because of less dividend in initial years.It increases at the same conventional preference one during first half of period. and is maximum at end of 6th yr
- If convertible option is made available then at end of 6th yr the closing balance of investment value is 11184.35which is equivalent to 1118 shares and a cash adjustment difference of 4.35 This diff paid off or adjusted with later dividends

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