Indras- 3?   *Pg-20*

Q. 5. Net profit for the year 2013-14 is ₹ 25 lakhs and for the year 2014-15 is ₹ 75 lakhs. Number of equity shares outstanding until 31st December, 2014 is 20 lakhs. Bonus issue was made on 1st January, 2015 of one equity share for each equity share outstanding as on 31st December, 2014. Calculate Basic Earnings per share for the year 2014-15 as per IAS-33.
[June 2015, 2 Marks]

$$2014\text{-}15 = \frac{7500000}{4000000} = 1.875$$

1 — 1
20L — ?, 20L

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Q. 10. Net profit for the year 2014-15 ₹ 25,00,000 and 2015-16 ₹ 75,000,00. No. of equity shares outstanding until 31st Dec, 2015: 20,00,000. Bonus issue on 1st January, 2016 was one equity share for each equity share outstanding on 31st Dec, 2015. Calculate Basic Earnings per Share.
[June 2016, 2 Marks]

$$15\text{-}16 = \frac{7500000}{4000000} = 1.875$$

adjusted EPS $$14\text{-}15 = \frac{2500000}{4000000} = 0.625$$

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Q. 14. FINEX Ltd. had 500000 equity shares (₹ 10 each) outstanding on 1-4-2015. The average fair value per share during the year 2015-16 was ₹ 80. The company has given share option to its Employees of 100000 shares at option price of ₹ 60. The net profit attributable to the equity shareholders for the year ended March 31, 2016 was ₹ 12 Lakh. Calculate Diluted Earnings per share.
[Dec. 2016, 2 Marks]

$$\text{profit} = \frac{1200000}{500000 + 25000} =$$

$$\Rightarrow \frac{100000 \times 60}{80} = \frac{OP \cdot share \times O \cdot A}{FMV}$$

$$DEPS = \frac{1200000}{525000} = 2.23$$

$$= 75000 \quad \text{shares at fmv.}$$

(option share – share at fmv.)
(100000 – 75000)

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Q. 17. ROLTA Ltd. had 10,00,000 equity shares (₹ 10 each) outstanding on 1-4-2016. The company issued one new share (right) for each five shares outstanding at ₹ 15 on 1-6-2016. The fair value of one Equity Share immediately before the right issue was ₹ 21. Calculate as per IAS-33, the theoretical ex-rights fair value per share of ROLTA Ltd.
[June 2017, 2 Marks]

O/S shares = 1000000 (before Right)
Right shar: $$\frac{5 - 1}{10L - 2L} = 2000000$$

R.P = 15
FMP: 21 (before Right.)

$$\Rightarrow \frac{(value~before~Right) + Right~share~value}{Total~shar~(incl.~Right)}$$

$$= \frac{21000000 + 3000000}{1000000 + 200000} = \frac{24000000}{12,00000} = 20$$

$$R.f = \frac{FMP}{Th.ex\cdot R\cdot i} = \frac{21}{20} = 1.05$$

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Q. 3. Neel Limited issued 5,00,000 equity shares of ₹ 10 each, fully paid amounting to ₹ 50,00,000. It issued right shares among the existing shareholders, on 31st July, 2013 in the proportion of one new share for two outstanding shares at ₹ 50 each. Market price of the company's share prior to right issue was ₹ 90. Net profit before tax for the year ending on 31st March, 2013 and 31st March, 2014 were ₹11,00,000 and ₹13,50,000 respectively. Corporate tax rate is 30%. You are required to compute the basic earnings per share for the financial years 2012-13 and 2013-14.
[Dec. 2014, 8 Marks]

O/S shares = 500000 (before Right)
31/07/13 Right share $$\frac{2 - 1}{5L} = 250000$$

R.P = 50
fmp 90 (before Right.)

profit: 31/3/13 = 770000
           31/3/14 = 945000

12-13 = $$\frac{770000}{500000} = 1.54$$
(B.EPS)

13-14 = Th. Ex = P = $$\frac{value~before~Right + Right}{Total~share}$$

$$= \frac{45000000 + 12,500,000}{750000} = 76.67$$

R.f = $$\frac{90}{76.67} = 1.1738$$

EPS (13-14) = $$\frac{profit}{(no~of~sh.~till~RFS \times \frac{M}{12}) + (Total~share \times \frac{M}{12})}$$

$$= \frac{945000}{(500000 \times 1.1738 \times \frac{4}{12}) + (750000 \times \frac{8}{12})} = \frac{945000}{195833 + 500000} = 1.35$$

12-13 = $$\frac{770000}{O/S~shar~\times~R.f} = \frac{770000}{500000 \times 1.1738} = \frac{770000}{586900} = 1.31$$
adjusted

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Q. 9. Following information is provided by Gudu Ltd.:
(A) Net profit for 2013-2014 ₹ 21,00,000. Net profit for 2014-2015 ₹ 28,00,000.
(B) No. of shares outstanding prior to Right Issue: 500000 shares as on 01-4-2014.
(C) Right Issue: one new share for 5 outstanding i.e., 100000 new shares.
(D) Right price: ₹ 18.
(E) Last date of right option: 1st June, 2014.
(F) Fair value prior to the right option on 1st June, 2014: ₹ 25 per equity share.
You are required to calculate earnings per share.
[Dec. 2015, 5 Marks]

$$1/4 \xrightarrow{2} 1/6 \xrightarrow{1} 31/3$$

$$O/S \times R.f \times \frac{2}{12} + Total~shar \times \frac{10}{12}$$

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Q. 10. Following information is provided by Peena Limited:

Date	Particulars	No. of Equity Shares
1st April, 2014	Balance at the beginning of the year	3000
1st July, 2014	Issue of shares for cash	900
31st March, 2015	Buy back of shares	800

You are required to calculate weighted average number of shares.
[Dec. 2015, 3 Marks]

$$1/4/14 : 3000 \times \frac{12}{12} = 3000$$

$$1/7/14 = 900 \times \frac{9}{12} = 675$$

$$31/3/15 : 800 \times \frac{0}{12} = (0)$$

$$= 3675$$

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Q. 14. From the following information provided by P Ltd. calculate Basic EPS and Diluted EPS as per Ind AS 33:

Net profit for the year	₹ 12,50,00,000
No. of equity shares outstanding	2,50,00,000
No. of 12% Convertible Debentures of ₹ 100 each	2,50,000
(Each debenture is convertible into 8 equity shares)	
Interest expenses for the year	₹ 30,00,000
Tax rate	30%

[Dec. 2023, 7 Marks]

Basic: $$\frac{125000000}{25000000} = 5$$

profit = 125000000
    + Int = 3000000
    – Tax   (900000)   = 127100000

No of shar: 25000000 O/S
  + Conv   2000000
             27000000 $$\frac{127100000}{27000000} = 4.70$$

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Employee option + fmv
diluted (fmv)

Q. 15. B Ltd. Supplied the following information:
Net Profit for 2022-23 = ₹ 15,00,000
Net Profit for 2023-24 = ₹ 22,50,000
No. of shares prior to right issue = 10,00,000
Terms of right issue: 1 new share for every 4 shares held;   4 → 1   250000
Right issue price = ₹ 30
Fair value of 1 ordinary share immediately prior to exercise of right = ₹ 36
Calculate basic EPS for 2022-23 and 2023-24 and restated EPS for 2022-23.
[June 2024, 7 Marks]

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