

Corporate Action Details

Dividend

Dividends can be paid anytime during the financial year. If it's paid during the financial year it is called the interim dividend. If the dividend is paid at the end of the financial year it is called the final dividend.

- **Record date**
If client has holding shares in their demat account on this date at end of the day then he is eligible to get dividend.
- **Book Closure Date**
If client has holding shares in their demat account one day prior to Book Closure Date then he / she is eligible to get dividend.
- **X-dividend date**
The X_ dividend date is normally set **ONE** business day before the record date. / (**OR TWO business day before Book Closure.**) Only shareholder who own shares before the X_ dividend date are entitled **for** the dividend. So if you want to be entitled for dividend , you need to **be** ensure **that** you buy the shares before the X_ dividend date. If any trade done on & after X-Dividend date then Dividend is not applicable & seller has not required to give dividend nor buyer is eligible for Dividend.

Note : If on the record date shares are held in our Benef. Hold / Collateral Account / (**Adjust against sale from Client POA Account**) then we are passing Provisional credit entry in client ledger on T+1 Day after Record Date / Book Closure and same is finalized once we receive actual dividend.

Dividend is paid to the Bank Account which is updated in your Demat account. So make sure that you have updated proper bank details in your demat account.

Stock-split :

When a stock split is declared by the company the number of shares held increases (**in proportionate ratio on next day of Record date**) The stock is split with reference to the face value. Suppose the stock's face value is Rs.10, and there **ratio** is 10 : 1 stock split then the face value will change to Rs.1. If you owned 1 share before split you would now own **10** shares after the split.

Split qty. effect is received in the client demat account on the next day morning of record date with NEW ISIN.

Note :

1. Client can sell the stock on X-Date with split qty. and same will be settled in pay-in as the shares are received on Pay-in Day morning.
2. If stock is held in our Hold Benef/Collateral Account then we will add split qty. effect with the narration as “CRPACT-Stock split from Rs. 10 to Rs.1” **previous day of** the record date at the **EOD (End of the day)**.

Rights Issue :

The idea behind a rights issue is to raise fresh capital. However instead of going **to** public, the company approaches **their existing shareholders**.

The shareholders can subscribe to the rights issue in the proportion of their share holding. For example 1:4 rights issue means for every 4 shares a shareholder owns, he can subscribe to 1 additional share. The new shares under the rights issue will be issued at a lower price than what prevails in the markets.

Note : If Right Issue Stock is held in our Hold Bene /Collateral Account then Rights Form will be sent to us in the name of Sushil Finance and we will send the **Renounce** Form to the client as per eligible qty. and then **Client** can apply for Right Issue.

Open Offer

An open offer is nothing but the exit route, which is given to the existing shareholders by the acquirer of shares through a public announcement. For making an open offer, an acquirer is required to make a public announcement, which should include offer price, number of shares to be acquired from the public, purpose of acquisition, identity of the acquirer, future plans, details about target company, procedure of accepting the shares and the time period for this. It's a voluntary offer.

The acquirer is supposed to pay the consideration to shareholders within 15 days from the date of closing of the offer. For any delay, the acquirer is required to pay interest on the amount.

Bonus

Allotted by the company to reward the shareholders. The bonus shares are issued out of the reserves of the company. These are free shares that the shareholders receive against shares that they currently hold. These allotments typically come in a fixed ratio such as, 1:1, 2:1, 3:1 etc.

For Example : If the ratio is 2:1 ratio, the existing shareholders get 2 additional shares for every 1 share they hold at no additional cost. So if a shareholder owns 100 shares then he will be issued an additional 200 shares, so his total holding will become 300 shares. (**Normally bonus shares received after 15 /20 days after Record date.**)

Similar to the dividend, there is a bonus announcement date i.e X_bonus date, and record date.

Buy Back Offer :

A buyback can be seen as a method for company to invest in itself by buying shares from other investors in the market. Buybacks reduce the number of shares outstanding in the market. (**If Company get 90% holding after Buy Back then , Normally they will opt for delist from Exchange & offer is valid till next six month from date of closure. Company has option for relisting in future).**

Delisting

Permanent removal of securities from a stock exchange. Due to delisting, the securities of that company would no longer be traded at that stock exchange. Company is delisted by the Exchange due to penalizing measure at the stock exchange for not making submissions/comply with various requirements set out in the Listing agreement within the time frames prescribed. (**First Exchange opt for suspension & then second option for Delist).** Some times after delist, Company will approach for fresh listing with fulfillment of listing requirement & compliance.)

Following are some of the important links which can be used to access corporate action data :

- <http://www.capitalmarket.com/> - Click on Bulletin option (Right hand side) and select the required data.
- <http://www.nseindia.com/corporates/corporateHome.html?id=eqCorpActions>
- <http://www.bseindia.com> – Click on Corporates option and then from dropdown option you can select required option.