

Event Updates

Union Budget 2016-17 - DDT: Out of Turn Dividend Plays

Union Budget 2016-17 proposed dividend distribution tax (DDT) of 10% on dividend income exceeding Rs 1 mn on individuals and firms. As per the government, DDT uniformly applies to all investors irrespective of their income slabs and this is perceived to distort the fairness and progressive nature of taxes. This proposal, if passed, would be applicable from 1st April 2016. In our opinion, dividend paying companies could opt to prepay their dividend timing to take advantage of this one month window.

We have attempted to prepare a list of companies who could declare dividend in this time and would also provide a decent dividend yield to investors. Here, we have assumed that the company would maintain its dividend per share ratio similar to FY15. We have also taken into consideration interim dividends that have been announced. Accordingly, even on remaining dividend (if interim dividend has been announced), these stocks could provide a dividend yield of more than 5%.

Company	Year End	DPS (Rs)	EPS (Rs)	Share Price (Rs)	Div Payout (%)	Dividend Yield (%)	Market Cap	Interim Div. Paid	Can be announced	Yield on balance dividend	Promoter Shareholding (%)
Financial Tech.	201503	17	95.59	80.4	17.8	21.1	3422.9	5	12	14.9%	45.63
Sarla Performanc	201503	8	33.94	57.75	23.6	13.9	4889.1	0	8	13.9%	55.2
Noida Tollbridg.	201503	3	3.74	23.35	80.2	12.8	4347.8	0	3	12.8%	26.37
Andrew Yule & Co	201503	2.5	0.37	19.5	675.7	12.8	6439.2	0	2.5	12.8%	87.98
Strides Shasun	201503	108	81.57	1033	132.4	10.5	83267.5	0	108	10.5%	31.06
Indiabulls Vent.	201503	4	4.14	19.6	96.6	20.4	5476.7	2	2	10.2%	33.63
Rico Auto Inds	201503	3	12.1	30.7	24.8	9.8	4004.9	0	3	9.8%	50.1
Setco Automotive	201503	3	8.19	30.85	36.6	9.7	4068	0	3	9.7%	62.92
R Systems Intl.	201412	5.88	4.79	61.7	122.8	9.5	7739.1	0	5.88	9.5%	50.8
Sasken Comm.Tec.	201503	27	74.39	272.1	36.3	9.9	4729.4	3	24	8.8%	40.52
IL&FS Inv.Manag.	201503	1.3	1.65	15.5	78.8	8.4	4867.5	0	1.3	8.4%	50.42
Syndicate Bank	201503	4.7	22.04	56.8	21.3	8.3	37349	0	4.7	8.3%	69.24
Aegis Logistics	201503	7.5	32.75	91.15	22.9	8.2	30110.1	0.6	6.9	7.6%	62.93
Menon Bearings	201503	4	11.68	54.5	34.2	7.3	2384	0	4	7.3%	74.67
Polaris Consulta	201503	15	10.4	209.45	144.2	7.2	21021.7	0	15	7.2%	28.92
Avanti Feeds	201503	27.5	122.75	384.9	22.4	7.1	17253.2	0	27.5	7.1%	43.95
Cairn India	201503	9	5.39	126.1	167.0	7.1	230233.1	0	9	7.1%	59.88
Lancor Holdings	201503	2	6.88	28.2	29.1	7.1	1134	0	2	7.1%	62.08
Indag Rubber	201503	12	59.81	156.9	20.1	7.6	4037.3	0.9	11.1	7.1%	74.76
Coal India	201503	20.7	21.17	311.45	97.8	6.6	2006707.6	0	20.7	6.6%	79.65
I D F C	201503	2.6	10.05	39.9	25.9	6.5	61130.7	0	2.6	6.5%	0
Clariant Chemica	201412	39	347.19	614.4	11.2	6.3	13912.6	0	39	6.3%	64.24
PNB Gilts	201503	1.5	4.67	24.2	32.1	6.2	4401.2	0	1.5	6.2%	74.07
Canara Bank	201503	10.5	54.54	177	19.3	5.9	89756.4	0	10.5	5.9%	66.3
UCO Bank	201503	2	10.18	34.05	19.6	5.9	34795.4	0	2	5.9%	72.83
IL&FS Transport	201503	4	8.25	71.45	48.5	5.6	22336.4	0	4	5.6%	73.22
Geojit BNP	201503	1.75	2.56	31.55	68.4	5.5	7278.9	0	1.75	5.5%	62.96
Lovable Lingerie	201503	12.5	9.61	226.4	130.1	5.5	3691	0	12.5	5.5%	67.23
Dhunseri Petro.	201503	4	9.95	72.5	40.2	5.5	2570.5	0	4	5.5%	67.28
Binani Inds	201503	3	3.46	55.05	86.7	5.4	1598.4	0	3	5.4%	51.28
Bank of India	201503	5	24.67	93.05	20.3	5.4	70392.9	0	5	5.4%	70.13
Karnataka Bank	201503	5	22.91	93.8	21.8	5.3	17036.4	0	5	5.3%	0
Syngene Intl.	201503	21	7.82	394	268.5	5.3	80060	0	21	5.3%	74.55
S A I L	201503	2	4.67	37.8	42.8	5.3	148698.9	0	2	5.3%	75
J B Chem & Pharm	201503	14	10.54	266.65	132.8	5.3	21993.8	0	14	5.3%	55.77
Manaksia	201503	2	1.12	38.2	178.6	5.2	2458.1	0	2	5.2%	62.95
Natl. Aluminium	201503	1.75	4.78	33.5	36.6	5.2	84533.5	0	1.75	5.2%	80.93
Morarjee Text.	201503	1.75	4.73	34.85	37.0	5.0	1233.5	0	1.75	5.0%	59.71
Indian Bank	201503	4.2	20.07	84.25	20.9	5.0	36982.5	0	4.2	5.0%	82.1
G M D C	201503	3	15.12	60.5	19.8	5.0	18809.7	0	3	5.0%	74

Source: Capitaline, IndiaNivesh Research

Note: This list is not edited for special dividend.