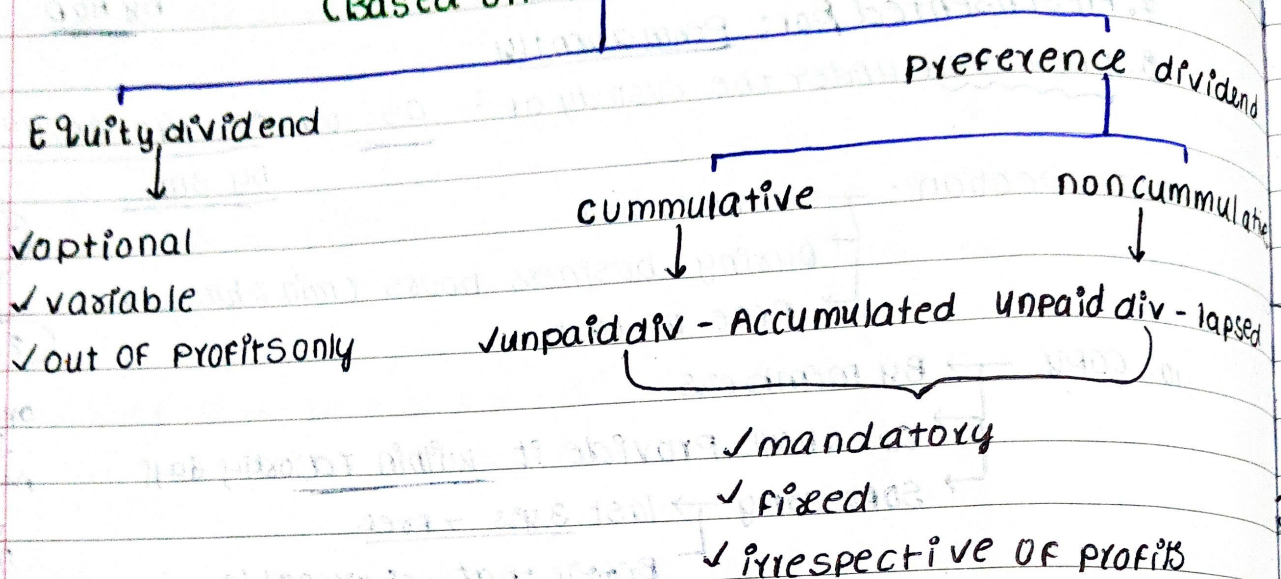


18. Declaration & payment OF Dividend.

TYPES OF dividend (Based on nature of shares)



TYPES OF dividend (Based on timing)

Interim dividend

Final dividend

Point OF difference	Interim	Final
• Meaning	Declared in blw two AGM's	Declared during AGM.
• Declared by	BOD	SH (member)
• Sources	✓ Relevant fy profits ✓ Prev fy profits ✓ Current fy profits (Till last quarter)	✓ Relevant fy profits ✓ Prev. fy profits ✓ Both ✓ Amt given by govt
• When profits are adequate	No conditions	No conditions.
• When profits are inadequate (or) when loss is incurred	1 condition	4 conditions

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 Date
 1 condition : Current dividend rate $\leq$ Avg dividend rate during last 3 FY.

2 condition

1. Current dividend rate $\leq$ Avg dividend rate during last 3 FY

2. Amount withdrawal $\leq 10\% \times [PUC + FR]$
From reserves

3. Adjust the withdrawal Amount with current FY losses

4. Balance of reserves $\geq 15\% \times [PUC]$

paid up capital

Payment of dividend

1) Paid to - Reg'd SH / order / Banker

2) Paid in - cash / ~~Bank~~

3) Prohibited - non compliance of provisions regarding

Acceptance of deposits from public

non payment of deposits

4) Deposit of

→ 5d from declaration date

dividend in separate bank A/c

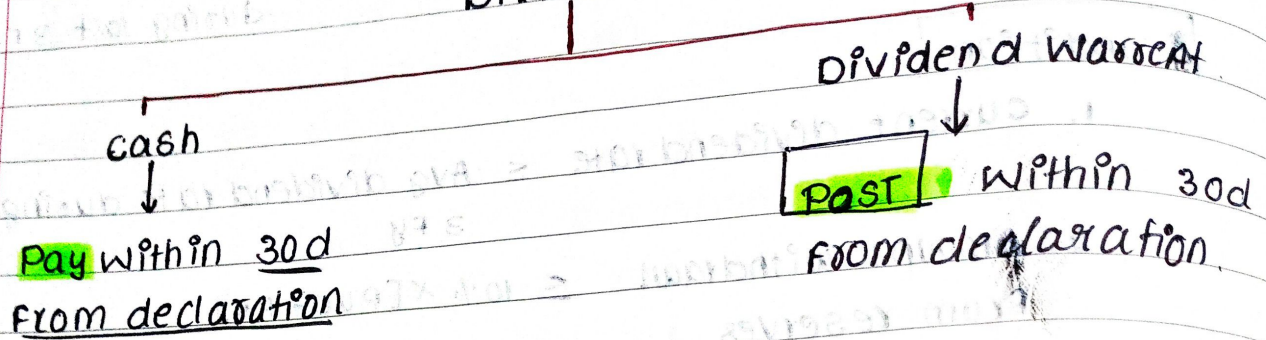
5) payment of dividend - 30d from declaration date

6) Transfer of unpaid / unclaimed - 7d from the expiry of dividend to UDA

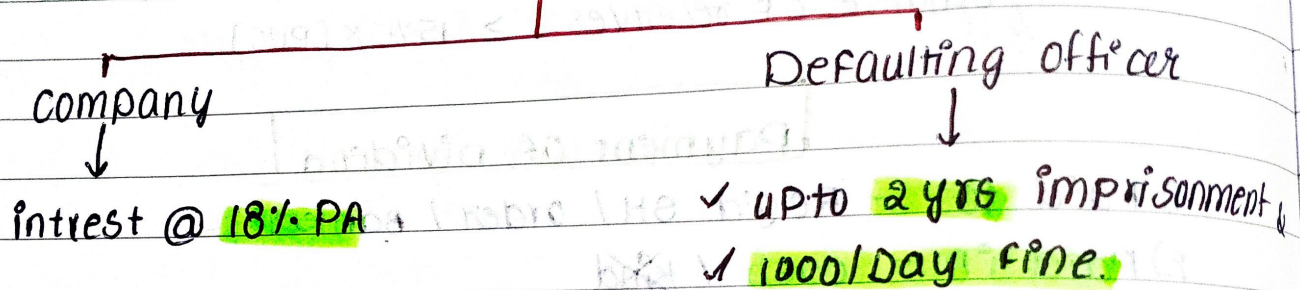
7) Publish the details of - 90d from the transfer date. unpaid / unclaimed dividend

8) Transfer to IEPF - 7yrs from the transfer date. (TO UDA)

Punishment for non payment of dividend



Consequences for failure



Implications when transfer of shares is pending with company

Instructions from transferor

Yes

Dividend
Bonus shares
Right shares

Issued as per
instructions.

No

Dividend → transfer to VDA

Bonus shares } hold
Right shares }

Credits to IEPF

- 1) Amount not Claimed for 7 yrs :
 - a) Dividend
 - b) Deposits
 - c) Debentures
 - d) Preference share capital
 - e) Application money
 - f) Purchase consideration in Amalgamation

2) Grants by CG

- 3) Donations by SH / Govt entities / others.
- 4) Balance Amount of General Revenue A/c
- 5) Balance Amount of IEPF under CA 1956
- 6) Recovery from a person convicted from Personation
- 7) other amounts as may be prescribed (Disgorged Amt)

Debits to IEPF

1) When unclaimed amt is claimed

- 2) For investors education, awareness and protection.
- 3) Payment of disgorged amount to effected person
- 4) Reimbursement of legal expenses.
- 5) other Amounts as may be prescribed.